HONG TAI ELECTRIC INDUSTRIAL CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
For the Three-month Periods Ended
March 31, 2026 And 2025

The reader is advised that these financial statements have been prepared originally in Chinese.This English version is a translation of the Chinese finance statements and has not been reviewed by accountant. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Consolidated Financial Statements

Table of Contents

Independent Auditors' Report Translated from Chinese

To Hong Tai Electric Industrial Co., LTD.

Introduction

The consolidated balance sheets of Hong Tai Electric Co., Ltd. and its subsidiaries as of March 31, 2026 and 2025, and the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows for the three-month periods ended March 31, 2026 and 2025, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies), have been reviewed by our firm. The preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting," as endorsed and made effective by the Financial Supervisory Commission, are the responsibility of the management. Our responsibility is to express a conclusion on these consolidated financial statements based on our review.

Scope of Review

This accountant performed the review in accordance with Standard No. 2410 "Review of Financial Statements." The procedures performed during the review of the consolidated financial statements included inquiries (mainly inquiries of personnel responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of the review work is significantly less than that of an audit; therefore, this accountant may not be able to detect all significant matters that could be identified through an audit, and hence cannot express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Hong Tai Electric Co., Ltd. and its subsidiaries as of March 31, 2026 and 2025, and their consolidated financial performance and consolidated cash flows for the periods from January 1 to March 31, 2026 and 2025, in accordance with the Guidelines for the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission.

Liu, Jung-Chin

Yang, Hung-Bin

Ernst & Young, Taiwan

May 8, 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

Consolidated Balance Sheets

As at March 31, 2026 , December 31, 2025 and March 31, 2025

(Expressed in Thousands of New Taiwan Dollars)

Assets			March 31, 2026		December 31, 2025		March 31, 2025	
Code	Items	Notes	Amount	%	Amount	%	Amount	%
	Current Assets							
1100	Cash and Cash equivalents	4 , 6.1	$926,837	9	$1,450,333	15	$755,709	8
1110	Financial Assets at Fair Value Through Profit or Loss, Current	4 , 6.2	379,297	4	327,415	4	303,699	4
1120	Financial Assets at Fair Value Through Other Comprehensive Income, Current	4 , 6.3	25,498	-	25,201	-	21,901	-
1136	Financial Assets Measured at Amortized Cost, Current	4 , 6.4 , 8	33,500	-	33,500	-	678	-
1150	Notes Receivable, Net	4 , 6.5 , 6.16	27,124	-	36,786	-	69,364	1
1170	Accounts Receivable, Net	4 , 6.6 , 6.16	903,280	9	535,315	6	1,428,808	16
1200	Other Receivables	7	7,365	-	27,893	-	13,262	-
130x	Inventories	4 , 6.7	2,949,044	30	2,740,276	28	2,581,528	28
1410	Prepayments	7	138,447	1	94,788	1	117,336	1
11xx	Total Current Assets		5,390,392	53	5,271,507	54	5,292,285	58
	Non - Current Assets							
1517	Financial Assets at Fair Value Through Other Comprehensive Income, Non - Current	4 , 6.3	2,741,795	28	2,614,504	27	1,992,794	22
1535	Financial Assets Measured at Amortized Cost, Non - Current	4 , 6.4 , 8	-	-	-	-	33,500	1
1550	Investments Accounted for Using the Equity Method	4 , 6.8	159,152	2	151,740	2	197,278	2
1600	Property, Plant and Equipment	4 , 6.9 , 8	1,363,774	14	1,374,005	14	1,303,615	14
1755	Right-of-use Asset	4 , 6.17	3,956	-	5,640	-	10,249	-
1760	Investment Property, Net	4 , 6.10 , 8	94,746	1	94,929	1	110,965	1
1840	Deferred Income Tax Assets	4 , 6.21	5,503	-	7,099	-	7,697	-
1920	Refundable Deposits	7	150,674	2	159,757	2	215,993	2
1975	Defined Benefit Pension Asset		4,811	-	4,785	-	-	-
1990	Other Non - Current Assets		834	-	776	-	959	-
15xx	Total Non - Current Assets		4,525,245	47	4,413,235	46	3,873,050	42
1xxx	Total Assets		$9,915,637	100	$9,684,742	100	$9,165,335	100

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Financial Statements Originally Issued in Chinese
HONG TAI ELECTRIC INDUSTRIAL CO., LTD.
Consolidated Balance Sheets
As at March 31, 2026 , December 31, 2025 and March 31, 2025
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			March 31, 2026		December 31, 2025		March 31, 2025	
Code	Items	Notes	Amount	%	Amount	%	Amount	%
	Current Liabilities							
2100	Short - term Loans	6.11	$2,254	-	$-	-	$153,426	2
2130	Contract Liabilities, Current	4 , 6.15	153,838	2	200,342	2	185,515	2
2150	Notes Payable		10,565	-	69,239	1	4,249	-
2160	Notes Payable - Related Parties	7	-	-	327	-	3,824	-
2170	Accounts Payable		297,660	3	356,465	3	405,605	4
2180	Accounts Payable - Related Parties	7	4,322	-	33,126	-	64,416	1
2200	Other Payables		985,995	9	268,928	3	845,394	9
2230	Current Tax Liabilities	4	156,373	2	101,387	1	172,466	2
2280	Lease Liabilities, Current	4 , 6.17	3,758	-	5,395	-	6,916	-
2399	Other Current Liabilities		1,015	-	999	-	1,016	-
21xx	Total Current Liabilities		1,615,780	16	1,036,208	10	1,842,827	20
	Non - Current Liabilities							
2550	Provisions, Non-Current	4 , 6.12	100,000	1	100,000	1	100,000	1
2570	Deferred Tax Liabilities	4	61,513	1	63,463	1	55,902	1
2580	Lease Liabilities, Non-Current	4 , 6.17	256	-	315	-	3,392	-
2640	Defined Benefit Pension Liability	4	-	-	-	-	2,132	-
2645	Deposits Received		1,722	-	1,722	-	1,529	-
25xx	Total Non-Current Liabilities		163,491	2	165,500	2	162,955	2
2xxx	Total Liabilities		1,779,271	18	1,201,708	12	2,005,782	22
31xx	Equity	4 , 6.14						
3110	Common Stock		3,160,801	32	3,160,801	33	3,160,801	34
3200	Capital Surplus		200,074	2	200,074	2	200,074	2
3300	Retained Earnings							
3310	Legal Reserve		1,249,372	13	1,249,372	13	1,167,221	13
3320	Special Reserve		103,909	1	103,909	1	-	-
3350	Unappropriated Earnings		2,884,319	29	3,354,645	35	2,711,305	29
	Total Retained Earnings		4,237,600	43	4,707,926	49	3,878,526	42
3400	Other Equity							
3410	Exchange Differences on Translation of Foreign Operations		(283,071)	(3)	(279,139)	(3)	(297,507)	(3)
3420	Unrealized Gains or Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income		786,201	8	658,598	7	215,323	3
3460	Property Revaluation Surplus		33,425	-	33,425	-	-	-
	Total Other Equity		536,555	5	412,884	4	(82,184)	-
	Total Equity Attributable to Owners of the Parent Company		8,135,030	82	8,481,685	88	7,157,217	78
36xx	Non-Controling Interest		1,336	-	1,349	-	2,336	-
3xxx	Total Equity		8,136,366	82	8,483,034	88	7,159,553	78
	Total Liabilities and Equity		$9,915,637	100	$9,684,742	100	$9,165,335	100

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Financial Statements Originally Issued in Chinese

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

Consolidated Statements of Comprehensive Income

For the three-month periods ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

Code	Items	Notes	For the three-month periods ended March 31,2026		For the three-month periods ended March 31,2025	
			Amount	%	Amount	%
4000	Operating Revenue	4 , 6.15 , 7	$1,919,326	100	$1,789,065	100
5000	Operating Costs	6.7 , 6.13 , 6.18 , 7	(1,585,431)	(83)	(1,509,167)	(84)
5900	Gross Margin		333,895	17	279,898	16
6000	Operating Expenses	6.13 , 6.18 , 7	(59,647)	(3)	(50,066)	(3)
6450	Expected Credit Impairment (Losses) Gains	4 , 6.16	(764)	-	367	-
	Total Operating Expense		(60,411)	(3)	(49,699)	(3)
6900	Operating Income (Loss)		273,484	14	230,199	13
7000	Non-operating Income and Expenses	6.19				
7100	Interest Income		3,883	-	2,107	-
7010	Other Income	7	5,584	-	7,385	-
7020	Other Gains and Losses		22,315	1	(16,424)	(1)
7050	Finance Cost		(284)	-	(423)	-
7060	Share of Profit or Loss of Subsidiaries, Associates and Joint Ventures Accounted for Using the Equity Method	4 , 6.8	14,102	1	18,226	1
	Total Non-operating Income and Expenses		45,600	2	10,871	-
7900	Income (Loss) Before Income Tax		319,084	16	241,070	13
7950	Income Tax (Expense) Benefits	4 , 6.21	(58,351)	(3)	(52,760)	(3)
8200	Net Income (Loss)		260,733	13	188,310	10
8300	Other Comprehensive Income (Loss)	6.20				
8310	Items that will not be Reclassified Subsequently to Profit or Loss					
8316	Unrealized Gains (Losses) from Equity Instruments Investments Measured at Fair Value Through Other Comprehensive Income		183,339	10	7,265	-
8349	Income Tax Related to Items that will not be Reclassified Subsequently	6.21	3,392	-	(2,006)	-
8360	Items that may be Reclassified Subsequently to Profit or Loss					
8361	Foreign Operating Agency Financial Statement Exchange Difference		3,023	-	2,249	-
8370	Share of Other Comprehensive Income(Loss) of Affiliated Companies and Joint Ventures Recognized Using the Equity Method-items that may be Reclassified to Profit or Loss	4 , 6.8	(6,955)	-	19,057	1
	Other Comprehensive Income (Loss)		182,799	10	26,565	1
8500	Total Comprehensive Income (Loss)		$443,532	23	$214,875	11
8600	Net Profit Attributable To:					
8610	Attributable to the owner of the parent company		$260,746	14	$188,373	11
8620	Non-controling Interest		(13)	-	(63)	-
			$260,733	14	$188,310	11
8700	Total Comprehensive Income (Loss) Attributable To:					
8710	Attributable to the owner of the parent company		$443,545	23	$214,938	12
8720	Non-controling Interest		(13)	-	(63)	-
			$443,532	23	$214,875	12
	Earnings Per Share (NTD)	6.22				
9750	Earnings Per Share - Basic		$0.82		$0.60	
9850	Earnings Per Share - Diluted		$0.82		$0.59	

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Financial Statements Originally Issued in Chinese

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

Consolidated Statements Of Changes In Equity

For the three-month periods ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

		Equity attributable to owners of the parent company										
				Retained Earnings			Other Components of Equity					
Code	Items	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Difference on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Property Revaluation Surplus	Equity Attributable to Owners of the Parent Company Total	Non-Controling Interest	Total equity
		3100	3200	3310	3320	3350	3410	3420	3460	31XX	36XX	3XXX
A1	Balance as of January 1, 2025	$3,160,801	$191,704	$1,167,221	$-	$3,181,860	$(318,813)	$214,904	$-	$7,597,677	$2,399	$7,600,076
	Appropriation and Distribution of the Earnings											
B5	Cash Dividends	-	-	-	-	(663,768)	-	-	-	(663,768)	-	(663,768)
C7	Changes in Equity of Associates accounted for using the Equity Method	-	8,370	-	-	-	-	-	-	8,370	-	8,370
D1	Net Income for the three-month ended March 31, 2025	-	-	-	-	188,373	-	-	-	188,373	(63)	188,310
D3	Other Comprehensive Income (loss) for the three-month period ended March 31, 2025	-	-	-	-	-	21,306	5,259	-	26,565	-	26,565
D5	Total Comprehensive Income (Loss)	-	-	-	-	188,373	21,306	5,259	-	214,938	(63)	214,875
Q1	Disposal of Equity Instruments Investments Measured at Fair Value Through Other Comprehensive Income	-	-	-	-	4,840	-	(4,840)	-	-	-	-
Z1	Balance as of March 31, 2025	$3,160,801	$200,074	$1,167,221	$-	$2,711,305	$(297,507)	$215,323	$-	$7,157,217	$2,336	$7,159,553
A1	Balance as of January 1, 2026	$3,160,801	$200,074	$1,249,372	$103,909	$3,354,645	$(279,139)	$658,598	$33,425	$8,481,685	$1,349	$8,483,034
	Appropriations and Distribution of the Earnings											
B5	Cash dividends to shareholders	-	-	-	-	(790,200)	-	-	-	(790,200)	-	(790,200)
C7	Changes in Equity of Associates accounted for using the Equity Method	-	-	-	-	-	-	-	-	-	-	-
D1	Net Income for the three-month ended March 31, 2026	-	-	-	-	260,746	-	-	-	260,746	(13)	260,733
D3	Other Comprehensive Income (loss) for the three-month period ended March 31, 2026	-	-	-	-	-	(3,932)	186,731	-	182,799	-	182,799
D5	Total Comprehensive Income (Loss)	-	-	-	-	260,746	(3,932)	186,731	-	443,545	(13)	443,532
Q1	Disposal of Equity Instruments Investments Measured at Fair Value Through Other Comprehensive Income	-	-	-	-	59,128	-	(59,128)	-	-	-	-
Z1	Balance as of March 31, 2026	$3,160,801	$200,074	$1,249,372	$103,909	$2,884,319	$(283,071)	$786,201	$33,425	$8,135,030	$1,336	$8,136,366

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Financial Statements Originally Issued in Chinese
HONG TAI ELECTRIC INDUSTRIAL CO., LTD.
Consolidated Statements Of Cash Flows
For the three-month periods ended March 31, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the three-month periods ended March 31,2026	For the three-month periods ended March 31,2025
AAAA	Cash Flows From Operating Activities		
A10000	Income Before Income Tax	$319,084	$241,070
A20000	Adjustments to Reconcile Income Before Income Tax to Net Cash Provided By Operating Activities:		
A20100	Depreciation expense	22,515	20,417
A20200	Amortization expense	124	89
A20300	Expected Credit Impairment (Gains) Losses	764	(367)
A20900	Interest Expense	284	423
A21200	Interest Income	(3,883)	(2,107)
A21300	Dividend Income	(2,280)	(3,540)
A22300	Share of Profit or Loss of Subsidiaries, Associates and Joint Ventures for Using the Equity Method	(14,102)	(18,226)
A22500	(Gain) Loss on Disposal of Property, Plant and Equipment	37	-
A23800	Reversal of Impairment Loss Recognised in Profit or Loss, Non-financial Assets	(46)	(36)
A30000	Changes in Operating Assets and Liabilities		
A31115	(Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(51,882)	9,214
A31130	(Increase) Decrease in Notes Receivable	9,662	(26,725)
A31150	(Increase) Decrease in Accounts Receivable	(368,729)	(157,525)
A31180	(Increase) Decrease in Other Receivables	23,067	433
A31200	(Increase) Decrease in Inventories	(208,768)	(202,686)
A31230	(Increase) Decrease in Prepayments	(5,284)	10,267
A31240	(Increase) Decrease in Other Current Assets	-	20
A32125	Increase (Decrease) in Contract Liabilities	(46,504)	22,328
A32130	Increase (Decrease) in Notes Payable	(58,674)	(2,520)
A32140	Increase (Decrease) in Notes Payable - Related Parties	(327)	(15,182)
A32150	Increase (Decrease) in Accounts Payable	(58,805)	71,250
A32160	Increase (Decrease) in Accounts Payable - Related Parties	(28,804)	49,718
A32180	Increase (Decrease) in Other Payables	(68,638)	(49,106)
A32230	Increase (Decrease) in Other Current Liabilities	16	(15)
A32240	Increase (Decrease) in Defined Benefit Pension Liability	(26)	12
A33000	Cash Generated (Outflow) From Operations	(541,199)	(52,794)
A33100	Interest Received	3,575	1,560
A33200	Dividend Received	30	256
A33500	Income Tax Paid	(327)	(336)
AAAA	Net Cash Provided By (Used in) Operating Activities	(537,921)	(51,314)
BBBB	Cash Flows from Investing Activities		
B00010	Acquisition of Financial Assets at Fair Value Through Comprehensive Income	(31,695)	(125,500)
B00020	Proceeds from Disposal of Financial Assets at Fair Value Through Comprehensive Income	88,650	35,157
B00050	Proceeds from Disposal of Financial Assets Measured at Amortized Cost	-	678
B02000	Increase in Prepayment for Investments	(38,375)	(9,482)
B02700	Acquisition of Property , Plant and Equipment	(14,848)	(11,479)
B02800	Proceeds from Disposal of Property , Plant and Equipment	16	-
B03700	Increase in Refundable Deposits	-	(17,908)
B03800	Decrease in Refundable Deposits	9,083	-
B06700	Increase in Other Non-current Assets	(182)	(165)
B07600	Dividend Received	19	2,271
BBBB	Net cash provided by (Used in) Investing Activities	12,668	(126,428)
CCCC	Cash Flows from Financing Activities		
C00100	Increase in Short - term Loans	2,254	153,426
C03100	Decrease in Deposits Received	-	(77)
C04020	Cash Payments for the Principal Portion of the Lease Liability	(1,795)	(1,777)
C05600	Interest Paid	(256)	(360)
CCCC	Net cash provided by (Used in) Financing Activities	203	151,212
DDDD	The impact of exchange rate changes on cash and cash equivalents	1,554	1,119
EEEE	Net Increase (Decrease) In Cash and Cash equivalents	(523,496)	(25,411)
E00100	Cash and cash equivalents at beginning of period	1,450,333	781,120
E00200	Cash and cash equivalents at end of period	$926,837	$755,709

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Financial Statement Originally Issued in Chinese

Hong Tai Electric Industrial Co., Ltd.
Notes To Consolidated Financial Statements
For the three-month periods ended March 31, 2026 and 2025
(Amounts expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. History and organization

Hong Tai Electric Industrial Co., LTD ("the Company") was founded in August 1968. The main activities of the Company are the manufacturing, processing and sales of wires and cables, communication products and equipment and accessories. The Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) in February 1993. The Company's registered office and the main business location is at No. 2, Guojian 1st Rd., Guanyin Dist., Taoyuan, Republic of China (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the company and its subsidiaries ("the Group") for the three-month periods ended March 31, 2026 and 2025 were authorized for issue in accordance with a resolution of the Board of Directors on May 8, 2026.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2026. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
2	IFRS 18 "Presentation and Disclosure in Financial Statements"	1 January 2027 (Note)
3	Disclosure Initiative — Subsidiaries without Public Accountability: Disclosures(IFRS 19)	1 January 2027
4	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	1 January 2027

Note: On 25 September 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028. In addition, entities in Taiwan with a need for early adoption may elect to early adopt IFRS 18 upon approval by the FSC.

A. IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

B. IFRS 18 'Presentation and Disclosure of Financial Statements'

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(a) Improved comparability in the statement of profit or loss (income statement)
IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures
IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements
IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

C. Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures Amendments to IFRS 19
This new standard and its amendments standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

D. Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

(1) Clarify that when the entity's functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.
(2) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
(3) When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under B, it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the three-month periods ended March 31, 2026 and 2025 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Accounting Standard No. 34 "Interim Financial Reporting" endorsed and effective as recognized by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

(a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(b) exposure, or rights, to variable returns from its involvement with the investee, and
(c) the ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee
(b) rights arising from other contractual arrangements
(c) the Company's voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

(a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(b) derecognizes the carrying amount of any non-controlling interest;
(c) recognizes the fair value of the consideration received;
(d) recognizes the fair value of any investment retained;
(e) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfers directly to retained earnings if required by other IFRSs; and
(f) recognizes any resulting differences in profit or loss.

The consolidated entities are listed as follows:

			As of		
Investor	Subsidiary	Main businesses	March 31, 2026	December 31, 2025	March 31, 2025
The Company	Moneywin International Limited	Investing	100.00%	100.00%	100.00%
The Company	Safety Investment Corp.	Investing	100.00%	100.00%	100.00%
The Company and Safety Investment Corp.	Hong-Hong Engineer Co. Ltd. (Note)	Cable installation project	96.00%	96.00%	96.00%

Note: The subsidiary of the Group, Hong Hong Engineering Co., Ltd., resolved to cease operations as approved by the Board of Directors on June 3, 2025.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

(c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following are accounted for as disposal even if an interest in the foreign operation is retained by the Group: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or loss of joint control over a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

(a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
(b) The Group holds the asset primarily for the purpose of trading
(c) The Group expects to realize the asset within twelve months after the reporting period
(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Group expects to settle the liability in its normal operating cycle
(b) The Group holds the liability primarily for the purpose of trading
(c) The liability is due to be settled within twelve months after the reporting period
(d) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value as cash equivalents (including time deposits with maturing of less than 12 months).

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

(a) Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

A. the Group’s business model for managing the financial assets and
B. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

A. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
B. the time value of money; and
C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follow:

A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(c) Derecognition of financial assets

A financial asset is derecognized when:

A. The rights to receive cash flows from the asset have expired
B. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
C. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(d) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

A. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
B. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
C. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

A. it eliminates or significantly reduces a measurement or recognition inconsistency; or
B. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss.

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Based on the actual purchase cost, using the weighted average method.

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(12) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro rata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid in capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

(a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(13) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	2～55 years
Machinery and equipment	2～15 years
Office equipment	1～8 years
Transportation equipment	1～5 years
Miscellaneous equipment	1～15 years
Right-of-use assets/leased assets	1～11 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(14) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	30～50 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group decides to transfer to or from investment properties based on actual usage of the assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(15) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(16) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (1 to 3 years).

A summary of the policies applied to the Group's intangible assets is as follows:

	Computer software
Useful lives	Finite
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

(17) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(18) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(19) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

Sale of goods

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. (i.e. when the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from the goods) The main products of the Group are wires and cables, and revenue is recognized based on the consideration stated in the contract minus the estimated quantity discount amount. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts to the Group estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Company's sale of goods is from 60 to 120 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The Group provides installation services of wires and cables. Such services are separately priced or negotiated, and provided based on contract period. As the Group provides the installation services over the contract period, the customers simultaneously receive and consume the benefits provided by the Group.The performance obligation is fulfilled at a certain point so the revenue should be recognized when the performance obligation is fulfilled.

Most of the contractual considerations of the Group are collected evenly throughout the contract period. When the Group has performed the services to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

(20) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(21) Post-employment benefits

All regular employees of the Group and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Group and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements.

For the defined contribution plan, the Group and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Group recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and
(b) the date that the Group recognizes restructuring-related costs or termination benefits

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

The retirement benefit cost for the interim period is calculated based on the retirement benefit cost rate determined at the end of the previous fiscal year, using the period from the beginning of the year to the end of the current period as the basis. Adjustments are made for significant market fluctuations occurring after the end date, as well as significant reductions, settlements, or other major one-time events, and are disclosed accordingly.

(22) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax at the reporting date.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

The Group calculates the income basic tax according to the Income Basic Tax Act and compares it with the income tax payable calculated under the Income Tax Act, selecting the higher amount as the provision for current income tax.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform-Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

The income tax expense for the interim period is accrued and disclosed based on the applicable tax rate expected for the total earnings of the fiscal year, i.e., the estimated annual average effective tax rate is applied to the interim period's pre-tax income. The estimate of the annual average effective tax rate includes only the current period's income tax expense, while deferred income taxes are recognized and measured in accordance with International Accounting Standard No. 12 "Income Taxes" consistently with the annual financial reporting. When there is a change in tax rates during the interim period, the impact of the tax rate change on deferred income taxes is recognized once in profit or loss, other comprehensive income, or directly in equity.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Investment properties

Certain properties of the Group comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Group accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 5% of the total property.

(b) Operating lease commitment－Group as the lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. Changes in market prices or future cash flows will affect the recoverable amount of these assets, which may cause the Group to additionally recognize impairment losses or reverse recognized impairment losses.

(c) Accounts receivables－estimation of impairment loss

The Group estimates the impairment loss of accounts receivable at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(d) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc.

(e) Inventories evaluation

As inventory must be measured at the lower of cost and net realizable value, the Group must use judgment and estimation to determine the net realizable value of inventory at the reporting date. Due to the influence of international copper prices and frequent fluctuations in raw material prices, the Group assesses the amount of inventory due to normal wear and tear, obsolescence or no market value at the end of the financial reporting period, and offsets the inventory cost to the net realizable value. This inventory evaluation is mainly based on the estimated product demand in a specific period in the future, so major changes may occur.

(f) Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(g) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Cash	$95	$74	$76
Petty cash	691	691	701
Demand deposits	506,925	485,694	301,505
Checking deposits	119,546	257,428	131,877
Time deposits	-	138,533	52,280
Cash equivalents	299,580	567,913	269,270
Total	$926,837	$1,450,333	$755,709

The Group’s cash and cash equivalents were not pledged.

The Group’s cash and cash equivalents consist of short-term notes.

(2) Financial assets at fair value through profit or loss

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Mandatorily measured at fair value through profit or loss:			
Non-derivatives not designated as hedging instruments			
Stocks	$344,559	$292,681	$273,119
Corporate bonds	34,738	34,734	23,908
Government bonds	-	-	6,672
Total	$379,297	$327,415	$303,699
Current	$379,297	$327,415	$303,699

The Group's financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at fair value through other comprehensive income

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Equity instrument investments measured at fair value through other comprehensive income			
Listed companies stocks	$1,877,423	$1,778,689	$1,238,376
Unlisted companies stocks	889,870	861,016	776,319
Total	$2,767,293	$2,639,705	$2,014,695
Current	$25,498	$25,201	$21,901
Non-Current	2,741,795	2,614,504	1,992,794
Total	$2,767,293	$2,639,705	$2,014,695

A. The Group's financial assets at fair value through other comprehensive income were not pledged.

B. The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the three-month periods ended March 31, 2026 and 2025 were as follows:

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Related to investments held at the end of the reporting period	$1,983	$2,978
Related to investments derecognized during the period	-	-
Dividends recognized during the period	$1,983	$2,978

C. In consideration of the Group's investment strategy, the Group disposed and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the three-month periods ended March 31, 2026 and 2025 were as follows:

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
The fair value of the investments at the date of derecognition	$88,650	$35,157
The cumulative gain or loss on disposal reclassified from other equity to retained earnings	59,128	4,840

(4) Financial assets measured at amortized cost

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits - Current	$33,500	$33,500	$678
Time deposits - Non Current	-	-	33,500
Total	$33,500	$33,500	$34,178

The Group classified certain financial assets as financial assets measured at amortized cost. Considered to have low credit risk, the lifetime expected credit loss is not material. Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge and Note 12 for details on credit risk.

(5) Notes receivable

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivables arising from operating activities	$27,124	$36,786	$69,364
Notes receivables arising from non-operating activities	-	-	-
Subtotal (total carrying amount)	27,124	36,786	69,364
Less: loss allowance	-	-	-
Total	$27,124	$36,786	$69,364

A. The Group's notes receivable were not pledged.

B. The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6.16 for more details on loss allowance and Note 12 for details on credit risk.

(6) Accounts receivable

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	$907,207	$538,478	$1,431,272
Less: loss allowance	(3,927)	(3,163)	(2,464)
Total	$903,280	$535,315	$1,428,808

A. The Group's accounts receivable were not pledged.

B. Accounts receivables are generally on 60-120 day terms. The total carrying amount as of March 31, 2026, December 31, 2025 and March 31, 2025 were NT$907,207 thousand, NT$538,478 thousand and NT$1,431,272 thousand, respectively. Please refer to Note 6.16 for more details on loss allowance of accounts receivable for the three-month periods ended March 31, 2026 and 2025. Please refer to Note 12 for more details on credit risk management.

(7) Inventories

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Merchandise	$131,785	$164,070	$262,651
Finished goods	1,742,558	1,933,928	1,552,096
Work in progress	648,458	417,611	481,625
Raw materials	303,693	153,782	212,640
Supplies & parts	32,577	32,439	42,927
Inventories in transit	89,973	38,446	18,128
Material used in Construction	-	-	11,461
Total	$2,949,044	$2,740,276	$2,581,528

A. The following table lists the cost of inventories recognized in expenses of the Group:

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Cost of goods sold	$1,588,556	$1,523,138
(Reversal) loss from the inventory written down to its respective net realizable value	(3,125)	(13,971)
Total operating cost	$1,585,431	$1,509,167

The Group recognized a gain from price recovery of inventory in the amount of NT$3,125 thousand and NT$13,971 thousand due to inventory destocking for the three-month periods ended March 31, 2026 and 2025.

B. The Group's inventories were not pledged.

(8) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Group:

	As of					
	March 31, 2026		December 31, 2025		March 31, 2025	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:						
South Ocean Holdings Ltd.	$381,210	30.74	$373,319	30.74	$368,015	30.74
Accumulated impairment	(222,058)		(221,579)		(170,737)	
Total	$159,152		$151,740		$197,278	

(a) Information on the material associate of the Group:

Company name: South Ocean Holdings Ltd.

Judgment with only significant influence: Although the group holds 30.74% of the voting rights of the company, since the other two investors hold 30.56% and 20.19% of the voting rights of the company, only the cooperation of these two investors could prevent the Group from leading the company's vital activities. Therefore, the Group has no control over the company and only has a significant influence.

Nature of the relationship with the associate: South Ocean Holdings Ltd. is in the business of manufacturing and selling related products in the Group's industry chain. The Group invested in South Ocean Holdings Ltd. for the purpose of upstream/downstream integration.

Principal place of business (country of incorporation): Republic of South Africa

Fair value of the investment in the associate when there is a quoted market price for the investment: South Ocean Holdings Ltd. is a listed entity on the South African Stock Exchange. The fair value of the company's investment was NT$111,612 thousand, NT$146,458 thousand, and NT$180,842 thousand, as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively.

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Group's interest in the associate:

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$2,172,210	$2,002,791	$1,775,841
Non-current assets	725,324	682,114	630,293
Current liabilities	1,464,362	1,127,941	937,870
Non-current liabilities	193,061	342,525	271,076
Equity	1,240,111	1,214,439	1,197,188
Proportion of the Group's ownership	30.74%	30.74%	30.74%
Carrying amount of the investment	$381,210	$373,319	$368,015

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Operating revenue	$1,300,562	$1,264,089
Profit or loss from continuing operations	$32,121	$33,008
Other comprehensive income	-	-
Total comprehensive income	$32,121	$33,008

(b) The associates had no contingent liabilities or capital commitments as of March 31, 2026, December 31, 2025, and March 31, 2025.

(9) Property, plant and equipment

	Land and land Improvements	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As at Jan 1, 2026	$465,659	$905,448	$802,904	$22,072	$14,036	$369,515	$111,391	$2,691,025
Additions	-	-	-	-	-	-	10,353	10,353
Disposals	-	(3,889)	-	(464)	-	-	-	(4,353)
Other changes	-	252	114	-	364	132	(862)	-
As at Mar. 31,2026	$465,659	$901,811	$803,018	$21,608	$14,400	$369,647	$120,882	$2,697,025
As at Jan 1, 2025	$453,338	$867,975	$744,745	$22,199	$14,036	$364,957	$83,796	$2,551,046
Additions	-	-	-	-	-	-	10,969	10,969
Disposals	-	-	-	-	-	-	-	-
Other changes	-	1,587	2,575	-	-	249	(4,439)	(28)
As at Mar. 31,2025	$453,338	$869,562	$747,320	$22,199	$14,036	$365,206	$90,326	$2,561,987
Accumulated Depreciation and impairment:								
As at Jan 1, 2026	$-	$425,507	$598,425	$21,354	$10,727	$261,007	$-	$1,317,020
Depreciation	-	6,600	10,836	68	364	2,709	-	20,577
Disposals	-	(3,835)	-	(465)	-	-	-	(4,300)
Other changes	-	-	(46)	-	-	-	-	(46)
As at Mar. 31,2026	$-	$428,272	$609,215	$20,957	$11,091	$263,716	$-	$1,333,251
As at Jan 1, 2025	$-	$398,994	$559,433	$21,158	$9,302	$251,033	$-	$1,239,920
Depreciation	-	6,015	9,170	83	357	2,863	-	18,488
Disposals	-	-	-	-	-	-	-	-
Other changes	-	-	(36)	-	-	-	-	(36)
As at Mar. 31,2025	$-	$405,009	$568,567	$21,241	$9,659	$253,896	$-	$1,258,372
Net carrying amount as at:								
Mar. 31,2026	$465,659	$473,539	$193,803	$651	$3,309	$105,931	$120,882	$1,363,774
Dec. 31,2025	$465,659	$479,941	$204,479	$718	$3,309	$108,508	$111,391	$1,374,005
Mar. 31,2025	$453,338	$464,553	$178,753	$958	$4,377	$111,310	$90,326	$1,303,615

A. There is no capitalized borrowing costs of the Group's property, plant and equipment.

B. Components of building that have different useful lives are main building structure, decoration engineering, mechanical and electrical engineering and roof-reparing engineering, which are depreciated over 40~55 years, 7 years, 5 years and 2 years, respectively.

C. Please refer to Note 8 for more details on property, plant and equipment under pledge.

(10) Investment property

	Land	Buildings	Total
Cost：			
As at Jan 1, 2026	$90,160	$31,624	$121,784
Disposal	-	-	-
As at Mar 31, 2026	$90,160	$31,624	$121,784
As at Jan 1, 2025	$104,120	$33,609	$137,729
Disposal	-	-	-
As at Mar 31, 2025	$104,120	$33,609	$137,729
Depreciation and impairment：			
As at Jan 1, 2026	$-	$26,855	$26,855
Depreciation	-	183	183
As at Mar 31, 2026	$-	$27,038	$27,038
As at Jan 1, 2025	$-	$26,572	$26,572
Depreciation	-	192	192
As at Mar 31, 2025	$-	$26,764	$26,764
Net carrying amount as at:			
Mar. 31, 2026	$90,160	$4,586	$94,746
Dec. 31, 2025	$90,160	$4,769	$94,929
Mar. 31, 2025	$104,120	$6,845	$110,965

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Rental income from investment property	$1,198	$1,116
Less:		
Direct operating expenses from investment property generating rental income	(215)	(229)
Total	$983	$887

Please refer to Note 8 for more details on Investment property under pledge.

Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties was NT$361,816 thousand, NT$361,816 thousand, and NT$419,518 thousand, as at March 31, 2026, December 31, 2025, and March 31, 2025, respectively. The fair value has been determined based on valuations performed by Group management, not by an independent valuer. The valuation method used is refer to the market evaluation of similar item transaction prices in neighboring areas at March 31, 2026, December 31, 2025, and March 31, 2025.

(11) Short-term borrowings

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
USANCE loans	$2,254	$-	$3,426
Unsecured bank loans	-	-	100,000
Secured bank loans	-	-	50,000
Total	$2,254	$-	$153,426
Interest Rates (%)	1.95%	0.00%	1.95%~6.53%

As of March 31, 2026, December 31, 2025, and March 31, 2025 the Group's unused credit line of short-term loans amounted to approximately NT$1,032,571 thousand, NT$1,031,984 thousand, and NT$1,039,579 thousand, respectively.

Please refer to Note 8 for more details on bank loans as pledge.

(12) Provisions

	Warranties	
	For the 3-month period ended	
	March 31, 2026	March 31, 2025
At the beginning of the period	$100,000	$100,000
Additions	-	-
Changes of current period	-	-
At the end of the period	$100,000	$100,000
Non-current	$100,000	$100,000

Warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(13) Post-employment benefits

Defined contribution plan

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Operating Costs	$1,246	$1,243
Operating Expenses	761	773
Non-operating Expenses	47	42
Total	$2,054	$2,058

Defined benefits plan

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Operating Costs	$114	$171
Operating Expenses	50	72
Total	$164	$243

(14) Equities

(a) Common stock

The Company's authorized capital was NT$3,980,000 thousand and NT$3,160,801 thousand was issued as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively, each at a par value of NT$10, divided into 316,080 thousand shares.

(b) Capital surplus

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Additional paid-in capital	$165,601	$165,601	$165,601
Treasury share transactions	24,200	24,200	24,200
Share of changes in net assets of associates and joint ventures accounted for using the equity method	8,370	8,370	8,370
Donated assets received	1,903	1,903	1,903
Total	$200,074	$200,074	$200,074

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(c) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

A. Payment of all taxes and dues;
B. Offset prior years' operation losses;
C. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
D. Set aside or reverse special reserve in accordance with law and regulations; and
E. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

Considered the Company's coming capital need and the long-term financial planning, as well as the shareholder's interest, the principle of the dividend policy is 20% of the distributable earnings of the year at minimum and cash dividend should be at least 10% of the total dividends. However, if a significant non-recurring income occur in the year, a whole or portion of that income may be retained from the distribution, and is not applicable to the restriction above mentioned.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributes distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The 2025 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting on March 13, 2026 have not yet reported to shareholders in its meeting. The company has recognized the liability, which is classified under other payables with the amount of NT$790,200 thousand. The 2024 earnings distribution and dividends per share have been approved and resolved by the Board of Directors' meeting on March 21, 2025, and has been reported to the shareholder's meeting on June 18, 2025. Details are as follows, respectively:

	Appropriation of earnings		Dividend per share (NT$)	
	2025	2024	2025	2024
Legal reserve	$102,261	$82,151		
Special reserve (reversal) appropriated	(103,909)	103,909		
Common stock - cash dividend	790,200	663,768	$2.5	$2.1
Total	$788,552	$849,828		

Please refer to Note 6.18 for details on employees' compensation and remuneration to directors and supervisors.

(d) Non-controlling interests

	Non-controlling interests
As at January 1, 2026	$1,349
Loss attributable to non-controlling interests	(13)
Issuance of cash dividends by the subsidiary	-
As at March 31, 2026	$1,336
As at January 1, 2025	$2,399
Loss attributable to non-controlling interests	(63)
Issuance of cash dividends by the subsidiary	-
As at March 31, 2025	$2,336

(15) Operating revenue

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Sale of goods	$1,919,326	$1,789,065
Service Revenue	-	-
Total	$1,919,326	$1,789,065

(a) Contract balances

Contract liabilities - current

	As of			
	March 31, 2026	January 1, 2026	March 31, 2025	January 1, 2025
Sales of goods	$153,838	$200,342	$185,515	$163,187

The significant changes in the Group's balances of contract liabilities for the three-month periods ended March 31, 2026 and 2025 are as follows:

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
The opening balance transferred to revenue	$94,381	$30,820
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	47,877	53,148

(b) Transaction price allocated to unsatisfied performance obligations

The Group's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to NT$6,110,225 thousand as at March 31, 2026. Management expects that 16% of the transaction price allocated to unsatisfied performance obligations will be recognized as revenue by December 31, 2026. The remaining will be recognized during 2027.

The Group's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to NT$4,070,225 thousand as at March 31, 2025. Management expects that 36% of the transaction price allocated to unsatisfied performance obligations will be recognized as revenue by December 31, 2025. The remaining will be recognized during 2026.

(c) Assets recognized from costs to fulfil a contract

None

(16) Expected credit losses/ (gains)

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Operating expenses – Expected credit losses/(gains)		
Accounts receivables	$764	$(367)

Please refer to Note 12 for more details on credit risk.

The Company measures the loss allowance of its accounts receivables (including note receivables and accounts receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of March 31, 2026, December 31, 2025, and March 31, 2025 are as follows:

The Group considers the grouping of accounts receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follows:

As at March 31, 2026

	Not yet due (note)	Overdue <=30 days	31-60 days	61-90 days	91-180 days	181-270 days	>=270 days	Total
Group 1								
Gross carrying amount	$588,028	$-	$-	$-	$-	$-	$459	$588,487
Loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	
Lifetime expected credit losses	-	-	-	-	-	-	(459)	(459)
Total	$588,028	$-	$-	$-	$-	$-	$-	$588,028

	Not yet due (note)	Overdue <=30 days	31-60 days	61-90 days	91-180 days	181-270 days	>=270 days	Total
Group 2								
Gross carrying amount	$342,616	$3,228	$-	$-	$-	$-	$-	$345,844
Loss rate	0.76%	26.98%	0.00%	0.00%	0.00%	0.00%	0.00%	
Lifetime expected credit losses	(2,597)	(871)	-	-	-	-	-	(3,468)
Total	$340,019	$2,357	$-	$-	$-	$-	$-	$342,376

As at December 31, 2025

	Not yet due (note)	Overdue <=30 days	31-60 days	61-90 days	91-180 days	181-270 days	>=270 days	Total
Group 1								
Gross carrying amount	$346,578	$-	$-	$-	$-	$-	$459	$347,037
Loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	
Lifetime expected credit losses	-	-	-	-	-	-	(459)	(459)
Total	$346,578	$-	$-	$-	$-	$-	$-	$346,578

	Not yet due (note)	Overdue <=30 days	31-60 days	61-90 days	91-180 days	181-270 days	>=270 days	Total
Group 2								
Gross carrying amount	$228,188	$39	$-	$-	$-	$-	$-	$228,227
Loss rate	1.18%	28.21%	0.00%	0.00%	0.00%	0.00%	0.00%	
Lifetime expected credit losses	(2,693)	(11)	-	-	-	-	-	(2,704)
Total	$225,495	$28	$-	$-	$-	$-	$-	$225,523

As at March 31, 2025

	Not yet due (note)	Overdue <=30 days	31-60 days	61-90 days	91-180 days	181-270 days	>=270 days	Total
Group 1								
Gross carrying amount	$1,033,041	$-	$-	$1,199	$105	$564	$-	$1,034,909
Loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Lifetime expected credit losses	-	-	-	-	-	-	-	-
Total	$1,033,041	$-	$-	$1,199	$105	$564	$-	$1,034,909

	Not yet due (note)	Overdue <=30 days	31-60 days	61-90 days	91-180 days	181-270 days	>=270 days	Total
Group 2								
Gross carrying amount	$464,716	$200	$87	$724	$-	$-	$-	$465,727
Loss rate	0.36%	25.00%	20.69%	100.00%	0.00%	0.00%	0.00%	
Lifetime expected credit losses	(1,672)	(50)	(18)	(724)	-	-	-	(2,464)
Total	$463,044	$150	$69	$-	$-	$-	$-	$463,263

Note: The Group's note receivables are not overdue.

The movement in the provision for impairment of notes receivable and accounts receivable during the three-month periods ended March 31, 2026 and 2025 is as follows:

	For the 3-month period ended March 31, 2026	March 31, 2025
Balance as of Janurary 1	$3,163	$2,831
Addition(reversal) for the current period	764	(367)
Write off	-	-
Balance as of March 31	$3,927	$2,464

All provision referred to accounts receivable.

(17) Leases

(a) Group as a lessee

The Group leases various properties, including buildings, machinery and equipment, transportation equipment and other equipment. The lease terms range from 1 to 5 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

a. Right-of-use assets

The carrying amount of right-of-use assets

	As of March 31, 2026	December 31, 2025	March 31, 2025
Buildings	$3,753	$5,410	$10,121
Other equipment	203	230	128
Total	$3,956	$5,640	$10,249

For the 3-month period ended March 31, 2026, and March 31, 2025, the Group's additions to right-of use assets amounted to NT$71 thousand and NT$0 thousand, respectively.

b. Lease liabilities

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Current	$3,758	$5,395	$6,916
Non-current	256	315	3,392
Total	$4,014	$5,710	$10,308

Please refer to Note 6.19(d) for the interest on lease liabilities recognized during the three-month period ended March 31, 2026 and 2025 and refer to Note 12.5 Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Buildings	$1,728	$1,727
Other equipment	27	10
Total	$1,755	$1,737

C. Income and costs relating to leasing activities

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
The expenses relating to short-term leases	$-	$-
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	128	168

D. Cash outflow relating to leasing activities

During the three-month periods ended March 31, 2026 and 2025, the Group’s total cash outflows for leases amounted to NT$1,920 thousand and NT$1,942 thousand, respectively.

E. Other information relating to leasing activities

Extension and termination options

Some of the Group’s buildings and machinery and equipment agreement (e.g. property rental agreement) contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts.

The majority of extension and termination options held are exercisable only by the Group.After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(b) Group as a lessor

Please refer to Note 6.10 for details on the Group's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$1,198	$1,116
Income relating to variable lease payments that do not depend on an index or a rate	-	-
Total	$1,198	$1,116

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at March 31, 2026, December 31, 2025, and March 31, 2025 are as follows:

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Not later than one year	$4,442	$4,617	$4,170
Later than one year but not later than two years	4,114	4,114	4,114
Later than two years but not later than three years	4,114	4,114	4,114
Later than three years but not later than four years	2,743	3,772	4,114
Later than four years but not later than five years	-	-	2,743
Total	$15,413	$16,617	$19,255

(18) Summary statement of employee benefits, depreciation and amortization expenses by function for the 3-month period ended March 31, 2026 and 2025:

	For the 3-month period ended Mar 31, 2026				For the 3-month period ended Mar 31, 2025			
	Operating costs	Operating expenses	Non-operating expenses	Total amount	Operating costs	Operating expenses	Non-operating expenses	Total amount
Employee benefits expense								
Salaries	$49,015	$33,252	$2,185	$84,452	$45,966	$28,594	$1,305	$75,865
Labor and health insurance	3,939	1,817	105	5,861	3,791	1,670	76	5,537
Pension	1,360	812	47	2,219	1,414	845	42	2,301
Other employee benefits expense	2,234	706	58	2,998	2,199	659	55	2,913
Depreciation	19,872	2,643	-	22,515	17,685	2,732	-	20,417
Amortization	8	116	-	124	3	86	-	89

According to the Articles of Incorporation, 2% to 8% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

The company, based on the profit situation for the three-month period ended March 31, 2026, has estimated employee compensation and director/supervisor remuneration at 4.7% and 2.35%, respectively. Similarly, based on the profit situation for the three-month period ended March 31, 2025, employee compensation and director/supervisor remuneration were also estimated at 4.5% and 2.25%, respectively. The estimated amounts are as follows:

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Employee compensation	$14,631	$10,705
Director/supervisor remuneration	7,316	5,353

The abovementioned distribution of the employee compensation and remuneration to directors and supervisors is recognized under salary expenses. Any differences between the estimated amounts and the actual amounts approved by the Board of Directors are adjusted in the subsequent year's profit or loss upon resolution.

A resolution was passed at a Board of Directors meeting held on March 13, 2026 to distribute NT$66,922 thousand and NT$33,461 thousand in cash as employees' compensation and remuneration to directors and supervisors of 2025, respectively. These amounts did not differ significantly from the amounts expensed in the year 2025 financial statements.

There is no material differences between the actual distribution of the employee compensation and remuneration to directors and supervisors for the year 2025 and the amount expensed in the financial statements in 2024.

(19) Non-operating income and expenses

(a) Interest income

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Bank interest income	$1,268	$1,432
Financial assets measured at amortized cost	2,052	229
Others Interest income	563	446
Total	$3,883	$2,107

(b) Other income

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Rental income	$1,429	$1,342
Dividend income	2,280	3,540
Other income	1,875	2,503
Total	$5,584	$7,385

(c) Other gains and losses

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Gains (losses) on disposal of property, plant and equipment	$(37)	$-
Foreign exchange gains (losses), net	787	1,210
Gain on reversal of impairement loss	46	36
Gains (losses) on financial assets at fair value through profit or loss (Note)	24,775	(15,822)
Other expenses	(3,256)	(1,848)
Total	$22,315	$(16,424)

Note: Balances were arising from financial assets mandatorily measured at fair value through profit or loss, including valuation adjustment.

(d) Finance costs

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Deposit imputed interest	$256	$304
Interest on bank loans	-	56
Interest on lease liabilities	28	63
Total finance costs	$284	$423

(20) Components of other comprehensive income

For the 3-month period ended March 31, 2026

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$183,339	$-	$183,339	$3,392	$186,731
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	3,023	-	3,023	-	3,023
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(6,955)	-	(6,955)	-	(6,955)
Total other comprehensive income	$179,407	$-	$179,407	$3,392	$182,799

For the 3-month period ended March 31, 2025

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$7,265	$-	$7,265	$(2,006)	$5,259
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	2,249	-	2,249	-	2,249
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	19,057	-	19,057	-	19,057
Total of other comprehensive income	$28,571	$-	$28,571	$(2,006)	$26,565

(21) Income tax

The major components of income tax expense (income) for the three-months ended March 31, 2026 and 2025 are as follows:

Income tax expense (income) recognized in profit or loss

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Current income tax expense (income):		
Current income tax charge	$55,312	$47,243
Adjustments in respect of current income tax of prior periods	-	-
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	3,039	5,517
Total income tax expense (income)	$58,351	$52,760

Income tax relating to components of other comprehensive income

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Deferred tax expense (income):		
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$(3,392)	$2,006

The assessment of income tax returns

As of March 31, 2026, the assessment of the income tax returns of the Group and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2024
Subsidiary- Safety Investment Corp.	Assessed and approved up to 2024
Subsidiary- Hong-Hong Engineer Co. Ltd.	Assessed and approved up to 2024

(22) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$260,746	$188,373
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	316,080	316,080
Basic earnings per share (NT$)	$0.82	$0.60
Diluted earnings per share		
(Loss) profit attributable to ordinary equity holders of the Company (in thousand NT$)	$260,746	$188,373
Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT$)	$260,746	$188,373
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	316,080	316,080
Effect of dilution:		
Employee compensation－stock (in thousands)	1,974	1,870
Weighted average number of ordinary shares outstanding after dilution (in thousands)	318,054	317,950
Diluted earnings per share (NT$)	$0.82	$0.59

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

A. Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
South Ocean Holdings Ltd.	Associate
Lianfa Metal Enterprise Co., Ltd.	Other (Director of the related party)
United Electric Industry Co., Ltd.	Other (Director of the related party)
Key management personnel	Key management personnel

B. Significant transactions with the related parties

(1) Sales

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Other		
Lianfa Metal Enterprise Co., Ltd.	$-	$62,625

The terms and conditions of sales (including prices) to related parties are similar to those with non-related parties.

(2) Purchases

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Other		
Lianfa Metal Enterprise Co., Ltd.	$644,750	$532,486
United Electric Industry Co., Ltd.	32,690	103,680
Total	$677,440	$636,166

The terms and conditions of purchases (including prices) to related parties are similar to those with non-related parties.

(3) Accounts payable – related parties

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Other			
Lianfa Metal Enterprise Co., Ltd.	$1,521	$886	$819
United Electric Industry Co., Ltd.	2,801	32,240	63,597
Total	$4,322	$33,126	$64,416

(4) Notes payable– related parties

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Other			
United Electric Industry Co., Ltd.	$-	$327	$3,824

(5) Others

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Other Receivables			
Associate			
South Ocean Holdings Ltd.	$-	$-	$5,632
Prepayments			
Other			
United Electric Industry Co., Ltd.	$2,216	$3,501	$4,116
Refundable deposits			
Other			
Lianfa Metal Enterprise Co., Ltd.	$29,227	$29,227	$29,227

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Operating costs		
Other		
United Electric Industry Co., Ltd.	$-	$182

(6) Key management personnel compensation

	For the 3-month period ended	
	March 31, 2026	March 31, 2025
Short-term employee benefits	$2,909	$2,811
Post-employment benefits	100	100
Total	$3,009	$2,911

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

	Carrying amount			
Items	March 31, 2026	December 31, 2025	March 31, 2025	Secured liabilities
Financial assets measured at amortized cost, Current	$33,500	$33,500	$678	Performance guarantee
Financial assets measured at amortized cost, Non current	-	-	33,500	〃
Property, plant and equipment – land and buildings	776,489	781,716	776,086	Long-term and short - term borrowings, Performance guarantee、General credit limit
Investment property – land and buildings	53,267	53,416	53,863	〃
Total	$863,256	$868,632	$864,127	

9. Significant contingencies and unrecognized contractual commitments

(1) For the needs of bank financing, purchase of materials, sales of goods, tax after release, and engineering guarantee funds, the guarantee bill is issued as follows:

Guaranteed Bill Company	Item	As of March 31, 2026
The Company	Bank loan and purchase guarantee	$60,000
〃	Sales contract guarantee	379,600
〃	Comprehensive Bank Credit Limit	450,000
〃	Performance guarantee and tax guarantee after release	362,181
Total		$1,251,781

(2) As of March 31, 2026, the Company has opened an unused letter of credit for USD 281 thousand, and JPY 69,533 thousand.

(3) As of March 31, 2026, the Company has signed a sales contract and has not yet delivered the amount of NT$886,003 thousand.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

(1) Categories of financial instruments

Financial assets

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at fair value through profit or loss:			
Designated at fair value through profit or loss	$379,297	$327,415	$303,699
Financial assets at fair value through other comprehensive income	2,767,293	2,639,705	2,014,695
Financial assets measured at amortized cost (Note)	2,047,994	2,242,819	2,516,537
Total	$5,194,584	$5,209,939	$4,834,931

Financial liabilities

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities at amortized cost:			
Short-term borrowings	$2,254	$-	$153,426
Notes and Accounts payable (including related party)	312,547	459,157	478,094
Other payables	985,995	268,928	845,394
Lease liability	4,014	5,710	10,308
Refundable deposits	1,722	1,722	1,529
Total	$1,306,532	$735,517	$1,488,751

Note: Including cash and cash equivalents (excluding cash in hand and petty cash), financial assets measured at amortized cost (including non-current), notes receivable, accounts receivable (including related parties), other receivables (including related parties) and refundable deposits.

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activaties. The Group identifies, measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency USD. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the three-month periods ended March 31, 2026 and 2025 is decreased/increased by NT$1,003 thousand and NT$1,451 thousand.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the three-month periods ended March 31, 2026 and 2025 to decrease/increase by NT$8 thousand and NT$17 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 1% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the three-month periods ended March 31, 2026 and 2025 by NT$3,211 thousand and NT$2,559 thousand, respectively.

At the reporting date, a change of 1% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT$18,774 thousand and NT$12,384 thousand on the equity attributable to the Group for the three-month periods ended March 31, 2026 and 2025, respectively.

Please refer to Note 12.8 for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for trade and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to our Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and our Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of March 31, 2026, December 31, 2025 and March 31, 2025, account receivables from top ten customers represent 86%, 78% and 86% of the total account receivables of the Group, respectively. The credit concentration risk of other account receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

In addition, when the Group assesses that it cannot reasonably expect to recover financial assets (for example, the issuer or debtor has major financial difficulties, or has gone bankrupt), it will be written off.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at Mar. 31, 2026					
Borrowings	$2,254	$-	$-	$-	$2,254
Trades payables	312,547	-	-	-	312,547
Other payables	985,995	-	-	-	985,995
Lease liabilities	3,784	265	-	-	4,049

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at Dec. 31, 2025					
Trades payables	$459,157	$-	$-	$-	$459,157
Other payables	268,928	-	-	-	268,928
Lease liabilities	5,446	326	-	-	5,772

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at Mar. 31, 2025					
Borrowings	$153,426	$-	$-	$-	$153,426
Trades payables	478,094	-	-	-	478,094
Other payables	845,394	-	-	-	845,394
Lease liabilities	6,999	3,475	16	-	10,490

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the 3-month period ended March 31, 2026:

	Short-term borrowings	Deposit received	Leases liabilities	Total liabilities from financing activities
As at Jan.1, 2026	$-	$1,722	$5,710	$7,432
Cash flows	2,254	-	(1,795)	459
Non-cash changes	-	-	99	99
As at Mar. 31, 2026	$2,254	$1,722	$4,014	$7,990

Reconciliation of liabilities for the 3-month period ended March 31, 2025:

	Short-term borrowings	Deposit received	Leases liabilities	Total liabilities from financing activities
As at Jan.1, 2025	$-	$1,606	$12,022	$13,628
Cash flows	153,426	-	(1,777)	151,649
Non-cash changes	-	(77)	63	(14)
As at Mar. 31, 2025	$153,426	$1,529	$10,308	$165,263

(7) Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

A. The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

C. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(8) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Group’s assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group’s assets and liabilities measured at fair value on a recurring basis is as follows:

As of March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	$321,139	$-	$23,420	$344,559
Corporate Bonds	34,738	-	-	34,738
Government Bonds	-	-	-	-
Financial assets at fair value through other comprehensive income				
Stocks	1,877,423	-	889,870	2,767,293

As of December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	$272,521	$-	$20,160	$292,681
Corporate Bonds	34,734	-	-	34,734
Government Bonds	-	-	-	-
Financial assets at fair value through other comprehensive income				
Stocks	1,778,689	-	861,016	2,639,705

As of March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	$255,931	$-	$17,188	$273,119
Corporate Bonds	23,908	-	-	23,908
Government Bonds	6,672	-	-	6,672
Financial assets at fair value through other comprehensive income				
Stocks	1,238,376	-	776,319	2,014,695

Transfers between Level 1 and Level 2 during the period

During the 3-month period ended March 31, 2026 and 2025, there were no transfers between Level 1 and Level 2 fair value measurements.

The change details of recurring fair value of Level 3 during the period

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	For the 3-month period ended March 31, 2026	
	At fair value through profit or loss	At fair value through other comprehensive income
	Stocks	Stocks
Beginning balances as at January 1, 2026	$20,160	$861,016
Total gains and losses recognized for the 3-month period ended March 31, 2026:		
Amount recognized in profit or loss (presented in "other profit or loss")	3,260	-
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-	29,966
Acquisition/issues for the 3-month period ended March 31, 2026	-	-
Disposal/settlements for the 3-month period ended March 31, 2026	-	(2,277)
Fluctuations in exchange	-	1,165
Ending balances as at March 31, 2026	$23,420	$889,870

	For the 3-month period ended March 31, 2025	
	At fair value through profit or loss	At fair value through other comprehensive income
	Stocks	Stocks
Beginning balances as at January 1, 2025	$18,712	$778,787
Total gains and losses recognized for the 3-month period ended March 31, 2025:		
Amount recognized in profit or loss (presented in "other profit or loss")	(1,524)	-
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-	(17,824)
Acquisition/issues for the 3-month period ended March 31, 2025	-	15,000
Disposal/settlements for the 3-month period ended March 31, 2025	-	-
Fluctuations in exchange	-	356
Ending balances as at March 31, 2025	$17,188	$776,319

Total gains and losses recognized in profit or loss for the 3-month period ended March 31, 2026 and 2025 in the table above contain gains (losses) related to assets on hand as of March 31, 2026 and 2025 in the amount of NT$3,260 thousand and NT$(1,524) thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of March 31, 2026

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks	Market approach	discount for lack of marketability	10%~20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase/decrease in the discount for lack of marketability would result in decrease/increase in the Group's profit or loss by NT$234K
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	10%~35%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase/decrease in the discount for lack of marketability would result in decrease/increase in the Group's equity by NT$8,899K

As of December 31, 2025

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks	Market approach	discount for lack of marketability	10%~20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase/decrease in the discount for lack of marketability would result in decrease/increase in the Group's profit or loss by NT$202K
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	10%~35%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase/decrease in the discount for lack of marketability would result in decrease/increase in the Group's equity by NT$8,610 K

As of March 31, 2025

		Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:						
At fair value through profit or loss						
Stocks		Market approach	discount for lack of marketability	10%~20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase/decrease in the discount for lack of marketability would result in decrease/increase in the Group's profit or loss by NT$172K
At fair value through other comprehensive income						
Stocks		Market approach	discount for lack of marketability	10%~35%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase/decrease in the discount for lack of marketability would result in decrease/increase in the Group's profit or loss by NT$7,763K

(c) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6)	$-	$-	$361,816	$361,816
Investments accounted for using the equity method (please refer to Note 6)	111,612	-	-	111,612

As of December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6)	$-	$-	$361,816	$361,816
Investments accounted for using the equity method (please refer to Note 6)	146,458	-	-	146,458

As at March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6)	$-	$-	$419,518	$419,518
Investments accounted for using the equity method (please refer to Note 6)	180,842	-	-	180,842

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

(In Thousands)

	As of March 31, 2026		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$3,134	32.00	$100,287
SGD	193	24.80	4,780
ZAR	12,822	1.88	24,052
CNY	2,102	4.63	9,731
HKD	3,684	4.08	15,031
JPY	871	0.20	175
Investments accounted for using the equity method:			
ZAR	$84,655	1.88	$159,152
Financial liabilities			
Monetary items:			
JPY	$11,244	0.20	$2,254

	As of December 31, 2025		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$4,137	31.43	$130,031
SGD	193	24.45	4,710
ZAR	12,631	1.89	23,915
CNY	2,101	4.50	9,455
HKD	3,684	4.04	14,883
JPY	27,730	0.20	5,567
Investments accounted for using the equity method:			
ZAR	$80,286	1.89	$151,740

	As at March 31, 2025		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$4,474	33.21	$148,543
SGD	155	24.77	3,833
ZAR	8,853	1.82	16,105
CNY	2,099	4.57	9,591
HKD	3,683	4.27	15,726
Investments accounted for using the equity method:			
ZAR	$108,395	1.82	$197,278
Financial liabilities			
Monetary items:			
USD	$103	33.21	$3,426

Due to the various types of corporate functional currencies of the Group, it is not possible to disclose the exchange gains and losses of monetary financial assets and financial liabilities according to the foreign currencies that have a significant impact. The Group's foreign currency exchange gains and losses for the 3-month period ended March 31, 2026 and 2025 were gains of NT$ 787 thousand and gains of NT$ 1,210 thousand, respectively.

The above information is disclosed based on the foreign currency book value (which has been converted to functional currency).

(10) Capital management

The primary objective of the Group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions

(a) Loan funds to others (None).
(b) Endorsement and guarantee for others (None).
(c) Status of holding marketable securities at the end of the period (excluding investment in subsidiaries, affiliates and joint venture equity) (Attachment 1).
(d) The amount of goods purchased or sold with related parties is NT$100 million or more than 20% of the paid-in capital (Attachment 2).
(e) Receivables from related parties amounting to NT$100 million or more than 20% of the paid-in capital (None).
(f) Others: business relations and various transactions and amounts between parent and subsidiary companies and between subsidiaries (Attachment 4).

(2) Information on investees (Attachment 3).
(3) Information on investments in Mainland China (None).

14. Segment information

Since 2024, the Group has had only one electricity operating segment. Its mainly business activities include the manufacturing, processing, and sales of electric wires and cables, communication products, and equipments and accessories. The Group’s management reviewed the whole operating results of the Group, for making the decision regarding allocation of the Group’s resource and assessing the overall performance of the Group. Accordingly, the segment is considered to operate as a single segment.

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Attachment 1: Securities held as of March 31, 2026 (not including subsidiaries, associates and joint ventures)

Unit: NTD thousand

Company	Type and Name of the Securities (Note)	Relationship	Financial Statement Account	As of March 31, 2026				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Hong Tai Electric Industrial Co., Ltd.	Grand Fortune Securities Co., Ltd.	None	Financial assets at fair value through profit or loss, current	4,813,694	$69,558	1.22	$69,558	
	ITEQ Corporation	〃	〃	400,000	59,400	0.11	59,400	
	Hon Hai Precision Industry Co., Ltd.	〃	〃	270,000	50,625	0.00	50,625	
	Tai Sin Electric Cables Manufacturer Limited	〃	〃	1,580,189	21,743	0.00	21,743	
	Shin Zu Shing Co., Ltd.	〃	〃	100,000	19,100	0.05	19,100	
	Others (Note)	-	〃	4,183,403	106,525	-	106,525	
	Subtotal				326,951		326,951	
	Ardentec Corporation	None	Financial assets at fair value through other comprehensive income, non-current	4,289,000	666,940	0.88	666,940	
	American Belite Bio, Inc.	〃	〃	45,000	195,155	0.14	195,155	
	Grand Fortune Securities Co., Ltd.	〃	〃	12,594,298	181,988	3.18	181,988	
	Lianfa Metal Enterprise Co., Ltd.	Director of the related party	〃	8,067,300	154,085	16.13	154,085	
	Others (Note)	-	〃	60,561,737	1,517,519	-	1,517,519	
	Subtotal				2,715,687		2,715,687	
	Hercules Bioventure II,L.P	None	Prepayments for long-term investments	200,000	6,375		6,375	
	Subtotal				6,375		6,375	
	Total				$3,049,013		$3,049,013	

Note: Others were those below 5% of the total balances of the financial statement account.

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Attachment 1.1: Securities held as of March 31, 2026 (not including subsidiaries, associates and joint ventures)

Unit: NTD thousand

Company	Type and Name of the Securities (Note)	Relationship	Financial Statement Account	As of March 31, 2026				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Safety Investment Corp.	Giant Manufacturing Co., Ltd.	None	Financial assets at fair value through profit or loss, current	200,000	$14,380	0.05	$14,380	
	Grand Fortune Securities Co., Ltd.	〃	〃	634,735	9,172	0.16	9,172	
	TCI CO., Ltd.	〃	〃	50,744	6,368	0.04	6,368	
	M31 Technology Corporation	〃	〃	10,000	4,750	0.02	4,750	
	Fitipower Integrated Technology Inc.	〃	〃	30,000	4,560	0.02	4,560	
	Aurotek Corporation	〃	〃	40,000	3,800	0.05	3,800	
	Advanced Ceramic X Corporation	〃	〃	20,000	2,640	0.03	2,640	
	Others (Note)	–	〃	130,000	6,676	-	6,676	
	Subtotal				52,346		52,346	
	Grand Fortune Securities Co., Ltd.	None	Financial assets at fair value through other comprehensive income,current	598,695	8,651	0.15	8,651	
	Lianfa Metal Enterprise Co., Ltd.	〃	〃	398,000	7,602	0.80	7,602	
	Foresee Pharmaceuticals Co., Ltd.	〃	〃	50,326	3,855	0.03	3,855	
	Beiley Biofund Inc	〃	〃	179,418	3,533	0.09	3,533	
	Ever Fortune.AI Co. , Ltd.	〃	〃	30,000	1,857	0.03	1,857	
	Subtotal				25,498		25,498	
	Total				$77,844		$77,844	

Note: Others were those below 5% of the total balances of the financial statement account.

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.
Notes To Consolidated Financial Statements
For the three-month periods ended March 31, 2026 and 2025

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Attachment 1.2: Securities held as of March 31, 2026 (not including subsidiaries, associates and joint ventures)

Unit: NTD thousand

Company	Type and Name of the Securities (Note)	Relationship	Financial Statement Account	As of March 31, 2026				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Moneywin International Ltd.	Great Team Backend Foundry, Inc.	None	Financial assets at fair value through other comprehensive income, non-current	849,387	$24,190	2.94	$24,190	USD 0.89
					(USD 756 thousand)			
	Others (Note)	－	〃	325,488	1,918	-	1,918	
					(USD 60 thousand)			
	Subtotal				26,108		26,108	
	Botrista, Inc.	None	Prepayments for long-term investments		32,000		32,000	
					(USD 1000 thousand)			
	Subtotal				32,000		32,000	
	Total				$58,108		$58,108	

Note: Others were those below 5% of the total balances of the financial statement account.

Attachment 2: Purchases or sales of goods from or to related parties exceeding NT$100 million or 20% of paid-in capital or more

Unit: NTD thousand

Purchaser / Seller	Counter-party	Relationship	Transaction				Details of non-arms Length transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	Percentage of total Purchase/Sale	Term	Unit Price	Term	Balance	Percentage of toal Receivable (Payable)	
Hong Tai Electric Industrial Co., Ltd.	Lianfa Metal Enterprise Co., Ltd.	Director of the related party	Purchase	$644,750	39.51%	60 days	(Note 1)	(Note 1)	$(1,521)	(0.49%)	

(Note 1) The transaction terms are similar to those of general transactions.

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Attachment 3: Names, locations and related information of investee companies as of March 31, 2026 (excluding Mainland China)

Unit: NTD thousand

Investor	Investee	Region	Main Business	Initial Investment		As of March 31, 2026			Investees company net income in 2026	Share of Profits/Losses	Note
				Balance at March 31, 2026	Balance at December 31, 2025	Number of shares	Percentage	Amount			
Hong Tai Electric Industrial Co., Ltd.	Safety Investment Corp.	Taiwan	Investing	$37,707	$37,707	8,800,000	100.00%	$118,459	$(3,066)	$(3,090)	
〃	Moneywin International Ltd.	Virgin Islands	Investing	144,991 (USD 4,431 thousand)	144,991 (USD 4,431 thousand)	4,430,860	100.00%	128,438	1,625	1,625	
〃	Hong-Hong Engineer Co. Ltd.	Taiwan	Cable installation engineering industry	18,630	18,630	3,575,880	86.00%	28,720	(332)	(285)	
〃	South Ocean Holdings Ltd.	South Africa	Holding company	492,851	492,851	56,270,187	27.68%	144,201	32,121	12,701	
								$419,818		$10,951	

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Attachment 3.1: Names, locations and related information of investee companies as of March 31, 2026－Moneywin International Ltd. (excluding Mainland China)：

Unit: NTD thousand

Investor	Investee	Region	Main Business	Initial Investment		As of March 31, 2026			Investees company net income in 2026	Share of Profits/Losses	Note
				Balance at March 31, 2026	Balance at December 31, 2025	Number of shares	Percentage	Amount			
Moneywin International Ltd.	South Ocean Holdings Ltd.	South Africa	Holding company	$71,618 (USD 2,401 thousand)	$71,618 (USD 2,401 thousand)	6,222,630	3.06%	$14,951 (USD 467 thousand)	$32,121	$1,401	

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Attachment 3.2: Names, locations and related information of investee companies as of March 31, 2026－Safety Investment Corp. (excluding Mainland China)：

Unit: NTD thousand

Investor	Investee	Region	Main Business	Original cost		As of March 31, 2026			Investees company net income in 2026	Share of Profits/Losses	Note
				Balance at March 31, 2026	Balance at December 31, 2025	Number of shares	Percentage	Amount			
Safety Investment Corp.	Hong-Hong Engineer Co. Ltd.	Taiwan	Cable installation engineering industry	$2,557	$2,557	415,800	10.00%	$3,340	$(332)	$(33)	

English Translation of Financial Statements Originally Issued in Chinese

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

Notes To Consolidated Financial Statements

For the three-month periods ended March 31, 2026 and 2025

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Attachment 4: Significant intercompany transactions between consolidated entities

Unit: NTD thousand

No.	Company name	Counterparty	Relationship	Transaction			
				Account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	Hong Tai Electric Industrial Co., LTD.	Safety Investment Corp.	The Company to subsidiaries	Rent income	$48	Regular	0.00%