TBI Motion Technology Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Report
2025 and 2024
(Stock code: 4540)

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TBI Motion Technology Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Auditors' Report in 2025 and 2024

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TBI Motion Technology Co., Ltd.

Representation Letter

Considering that the companies to be included into the consolidated financial statements of affiliates under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under IFRS 10 for 2025 (from January 1, 2025 to December 31, 2025), and the relevant information to be disclosed in the consolidated financial statements of the affiliates has already disclosed in said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliates were prepared separately.

It is hereby certified that the information disclosed herein is true and correct.

Name of Company: TBI Motion Technology Co., Ltd.

Person in Charge: Ching-Kun Lee

March 9, 2026

Independent Auditor 's Report

(2026) Cai-Shen-Bao-Zi No. 25005122

To: TBI Motion Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of TBI Motion Technology Co., Ltd. and its subsidiaries (collectively, the "Group") for the years ended December 31, 2025 and 2024 and the relevant consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the Group's consolidated financial position as of December 31, 2025 and 2024 and for the years then ended, and its consolidated financial performance and consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibility under those standards is further described in the paragraph "Auditor's responsibilities for the audit of the consolidated financial statements". We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matters

Key audit matters refer to the most vital matters in our audit of the Group’s consolidated financial statements for the year ended December 31, 2025 based on our professional judgment. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

The key audit matters of the Group’s consolidated financial statements for the year ended December 31, 2025, are stated as follows:

Impairment assessment of accounts receivable

Description

For the accounting policy on accounts receivable, please refer to Note 4(10) of the consolidated financial statements; for the accounting estimates and assumptions for the impairment assessment of accounts receivable, please refer to Note 5(2) of the consolidated financial statements; for the accounting subject of accounts receivable, please refer to Note 6(5) of the consolidated financial statements.

The Group manages the collection and call of customers, and undertakes the related credit risk. The management regularly evaluates customers' credit quality and collection status, and adjusts the credit policy to customers in a timely manner. In addition, the impairment assessment of accounts receivable adopts a simplified assessment in accordance with the relevant provisions of IFRS 9 "Financial Instruments" for expected credit losses. The management determines the expected loss rate based on a number of factors that may affect a customer's ability to pay, such as the individual customer's past due period, the customer's financial status and economic condition, and forward-looking information at the balance sheet date and in the past. The policy of setting aside for expected credit losses and the recoverability of accounts receivable involve subjective judgments and estimates made by the management. Considering that accounts receivable and their expected credit impairment is of significant impact to the Consolidated Financial Statements, hence, we recognize the assessment of the impairment losses of the accounts receivable to be listed as one of the most important matters in this year's audit.

How our audit addressed the matter

We have implemented the corresponding procedures for the impairment assessment of accounts receivable as follows:

1. Evaluate and test the effectiveness of the internal controls related to accounts receivable in the sales cycle, including the approval of customer transaction credit limits and the management of overdue accounts receivable.
2. Obtain the aging report, and select samples for testing to confirm the accuracy and completeness of the content.
3. Evaluate whether the assumptions used by the management to calculate the loss allowance are reasonable, and confirm that the calculation can support the amount of the expected credit loss.
4. Compare the aging of accounts receivable in the current year and those in previous years, and examine the amount of expected credit losses that occurred in the current year and in the previous years to verify the reasonableness of the amount to be set aside.

Impairment assessment of inventory

Description

For the accounting policy of inventory, please refer to Note 4(14) of the consolidated financial statements; for the accounting estimates and uncertainties of the valuation of inventories, please refer to Note 5(2) of the consolidated financial statements; for the description of the accounting titles of inventories, please refer to the consolidated financial statements Note 6(6).

As of December 31, 2025, the Group’s total inventory amounted to NT$2,010,491 thousand, with an allowance for devaluation losses of NT$437,682 thousand. The assessment of the net realizable value of inventories involves the subjective judgments and estimates of the management. Therefore, we believe that the inventory impairment assessment is one of the most important matters in the current year's audit.

How our audit addressed the matter

We have implemented the corresponding procedures for the impairment assessment of inventory as follows:

1. Based on our understanding of the operation and industry nature of the Group, we evaluate the policies and procedures for appropriating the inventory allowance of the Group, including determining the obsolete items of inventory and the accounting estimation method.
2. Review the inventory age and the disposal status of the current year to assess the amount to be provided for inventory devaluation and obsolescence losses.
3. Obtain the data on the net realizable value, select a sample to check the selling price and re-calculate it.
4. We sample and compare the actual selling price and book value of the inventories to confirm that the book value of the inventories does not exceed the net realizable value.
5. The Company observes the inventory and understands the inventory status in order to assess the loss of obsolete and damaged inventory, inventory devaluation and obsolescence loss.

Other matters - parent company only financial statements

The Company has prepared parent company only financial reports for the years ended on December 31, 2025 and 2024, with an audit report, along with an unqualified opinion expressed, issued by us for reference.

Responsibilities of the management and the governing bodies for the consolidated financial statements

The management's responsibilities are to prepare the financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC of the Republic of China and to maintain necessary internal control associated with the preparation in order to ensure that the consolidated financial statements are free from material misstatement arising from fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of the Group in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

The Group's governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, they are considered material.

We have utilized our professional judgment and maintained professional skepticism when performing the audit work in accordance with the auditing standards generally accepted in the Republic of China. We also performed the following tasks:

1. Identified and assessed the risks of material misstatement arising from fraud or error within the consolidated financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in said

statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluated the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the consolidated financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion on consolidated financial statements.

The matters communicated between us and the governing bodies include the planned scope and times of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Group's consolidated financial statements for the year ended December 31, 2025. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

PricewaterhouseCoopers Taiwan

Bing-Jun Zhi

CPA

Ming-Chuan Hsu

Former Securities and Futures Commission, Ministry of Finance
Approval Letter No.: (1999) Tai-Cai-Zheng (VI) No. 16120
Financial Supervisory Commission
Approval No.: Jin-Guan-Zheng-Shen-Zi No. 1050029449

March 9, 2026

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, financial performance 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 parent company only financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese- language independent auditors' report and parent company only financial statements shall prevail.

TBI Motion Technology Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NT$ thousand

	Assets	Notes	December 31, 2025			December 31, 2024		
				Amount	%		Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$	677,168	9	$	732,570	11
1110	Current financial assets measured at fair value through profit or loss	6(2)		-	-		475	-
1150	Notes receivable, net	6(5) and 8		603,451	8		399,639	6
1170	Accounts receivable, net	6(5)		936,998	12		660,141	9
1200	Other receivables			14,093	-		6,470	-
1220	Current income tax assets	6(28)		18,035	-		18,035	-
130X	Inventory	6(6)		1,572,809	21		1,320,789	19
1410	Prepayments			48,552	1		13,223	-
1460	Non-current assets held for sale, net	6(12) and 8		-	-		230,564	3
1470	Other current assets			665	-		316	-
11XX	**Total current assets**			3,871,771	51		3,382,222	48
1517	Non-current financial assets measured at fair value through other comprehensive income	6(3)		88,918	1		88,918	1
1535	Non-current financial assets at amortised cost	6(4) and 8		30,000	1		30,000	-
1600	Property, plant and equipment	6(7) and 8		2,553,995	34		2,634,977	37
1755	Right-of-use assets	6(8)		769,403	10		742,802	11
1780	Intangible assets	6(9)		16,213	-		23,943	-
1840	Deferred income tax assets	6(28)		159,565	2		179,676	3
1900	Other non-current assets	6(11)		45,271	1		20,536	-
15XX	**Total non-current assets**			3,663,365	49		3,720,852	52
1XXX	**Total assets**		$	7,535,136	100	$	7,103,074	100

(continued on next page)

TBI Motion Technology Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NT$ thousand

Code	Liabilities and equity	Notes	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current liabilities					
2100	Short-term borrowings	6(13) and 7	$ 620,851	8	$ 450,000	6
2130	Current contract liabilities	6(21)	5,106	-	3,118	-
2150	Notes payable		32,192	-	35,457	-
2170	Accounts payable		500,926	7	187,266	3
2200	Other payables	6(14)	294,209	4	239,331	3
2230	Current tax liabilities	6(28)	39,677	1	-	-
2280	Current lease liabilities	6(8)	34,769	-	36,569	1
2320	Long-term liabilities due within one year or one operating cycle	6(15)(16), 7 and 8	343,106	5	553,983	8
2399	Other current liabilities - others	6(12)	2,309	-	59,953	1
21XX	**Total current liabilities**		1,873,145	25	1,565,677	22
	Non-current liabilities					
2540	Long-term borrowings	6(15), 7 and 8	1,480,700	20	1,511,782	21
2570	Deferred income tax liabilities	6(28)	20,830	-	9,344	-
2580	Non-current lease liabilities	6(8)	707,508	9	730,997	11
2600	Other non-current liabilities		3,675	-	5,693	-
25XX	**Total non-current liabilities**		2,212,713	29	2,257,816	32
2XXX	**Total liabilities**		4,085,858	54	3,823,493	54
	Equity					
	Share capital	6(18)				
3110	Common shares capital		1,130,767	15	996,143	14
3140	Capital received in advance		21,101	-	95,239	1
	Capital surplus	6(19)				
3200	Capital surplus		2,267,162	30	2,097,475	29
	Retained earnings	6(20)				
3310	Legal reserve		51,373	1	177,140	3
3350	Accumulated deficit to be offset		(74,067)	(1)	(125,767)	(2)
	Other equity	6(3)				
3400	Other equity		52,942	1	39,351	1
31XX	**Total equity attributable to owners of the parent company**		3,449,278	46	3,279,581	46
3XXX	**Total equity**		3,449,278	46	3,279,581	46
	Significant contingent liabilities and unrecognized contractual commitments	9				
	Material events after the reporting period	11				
3X2X	**Total liabilities and equity**		$ 7,535,136	100	$ 7,103,074	100

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Ching-Kun Lee | Manager: Ching-Sheng Lee | Accounting supervisor: Hsin-Kai Shen

TBI Motion Technology Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the Years Ended December 31, 2025 and 2024

Unit: NT$ thousand (Except losses per share in NTD)

Code	Item	Notes	2025 Amount	2025 %	2024 Amount	2024 %
4000	Operating revenue	6(21)	$ 2,559,330	100	$ 2,294,281	100
5000	Operating costs	6(6)(7)(8)(17)(26)(27)	(2,312,902)	(90)	(2,419,392)	(105)
5900	Gross profit (loss) from operations		246,428	10	(125,111)	(5)
	Operating expenses	6(7)(8)(17)(26)(27) and 12(2)				
6100	Selling expenses		(103,070)	(4)	(103,181)	(4)
6200	General and administrative expenses		(360,931)	(14)	(303,077)	(13)
6300	Research and development expenses		(103,146)	(4)	(81,085)	(4)
6450	Expected credit impairment gains (losses)		20,576	1	(24,260)	(1)
6000	Total operating expenses		(546,571)	(21)	(511,603)	(22)
6900	Operating loss		(300,143)	(11)	(636,714)	(27)
	Non-operating income and expenses					
7100	Interest income	6(4)(22)	9,478	-	4,365	-
7010	Other income	6(23)	22,869	1	43,581	2
7020	Other gains and losses	6(2)(24)	364,019	14	94,724	4
7050	Finance costs	6(8)(13)(15)(16)(25)	(59,323)	(2)	(69,788)	(3)
7000	Total non-operating income and expenses		337,043	13	72,882	3
7900	**Profit (loss) before tax**		36,900	2	(563,832)	(24)
7950	Income tax (expense) benefit	6(28)	(110,967)	(4)	77,180	3
8200	**Net loss for the period**		($ 74,067)	(2)	($ 486,652)	(21)
	Other comprehensive income (net amount)					
	Items not reclassified into profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	$ -	-	($ 5,676)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		-	-	(5,676)	-
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of financial statements of foreign operations		16,988	1	129	-
8399	Income tax related to items that may be reclassified	6(28)	(3,397)	-	(26)	-
8360	Sum of items that may be reclassified subsequently to profit or loss		13,591	1	103	-
8300	**Other comprehensive income (net amount)**		$ 13,591	1	($ 5,573)	-
8500	**Total comprehensive income**		($ 60,476)	(1)	($ 492,225)	(21)
	Net profit (loss) attributable to:					
8610	Owner of the parent company		($ 74,067)	(2)	($ 486,652)	(21)
	Total comprehensive income attributable to:					
8710	Owner of the parent company		($ 60,476)	(1)	($ 492,225)	(21)
	Basic loss per share	6(29)				
9750	Basic loss per share		($ 0.66)		($ 4.97)	
	Diluted loss per share	6(29)				
9850	Diluted loss per share		($ 0.66)		($ 4.97)	

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Ching-Kun Lee | Manager: Ching-Sheng Lee | Accounting supervisor: Hsin-Kai Shen

TBI Motion Technology Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
For the Years Ended December 31, 2025 and 2024

Unit: NT$ thousand

	Notes	Equity attributable to owners of parent company: Share capital: Common shares capital	Share capital: Capital received in advance	Capital surplus	Retained earnings (accumulated deficit to be offset): Legal reserve	Retained earnings (accumulated deficit to be offset): Accumulated deficit to be offset	Other equity: Exchange differences on translation of financial statements of foreign operations	Other equity: Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	Total equity
2024									
Balance at January 1, 2024		$ 951,588	$ -	$ 1,724,900	$ 177,140	$ 360,885	$ 2,845	$ 42,079	$ 3,259,437
Net loss for the period		-	-	-	-	(486,652)	-	-	(486,652)
Other comprehensive income in the current period		-	-	-	-	-	103	(5,676)	(5,573)
Total comprehensive income		-	-	-	-	(486,652)	103	(5,676)	(492,225)
Convertible corporate bond conversion	6(19)	44,555	95,239	372,575	-	-	-	-	512,369
Balance at December 31, 2024		$ 996,143	$ 95,239	$ 2,097,475	$ 177,140	($ 125,767)	$ 2,948	$ 36,403	$ 3,279,581
2025									
Balance at January 1, 2025		$ 996,143	$ 95,239	$ 2,097,475	$ 177,140	($ 125,767)	$ 2,948	$ 36,403	$ 3,279,581
Net loss for the period		-	-	-	-	(74,067)	-	-	(74,067)
Other comprehensive income in the current period		-	-	-	-	-	13,591	-	13,591
Total comprehensive income		-	-	-	-	(74,067)	13,591	-	(60,476)
Legal reserve used to offset accumulated deficits	6(20)	-	-	-	(125,767)	125,767	-	-	-
Convertible corporate bond conversion	6(19)	134,624	(74,138)	169,687	-	-	-	-	230,173
Balance at December 31, 2025		$ 1,130,767	$ 21,101	$ 2,267,162	$ 51,373	($ 74,067)	$ 16,539	$ 36,403	$ 3,449,278

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Ching-Kun Lee　　Manager: Ching-Sheng Lee　　Accounting supervisor: Hsin-Kai Shen

TBI Motion Technology Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flows
For the Years Ended December 31, 2025 and 2024

Unit: NT$ thousand

	Notes	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Cash flow from operating activities			
Net income before tax (net loss) in the current period		$ 36,900	($ 563,832)
Adjustments			
Income and expenses			
Depreciation expenses	6(26)	246,532	259,590
Amortization expenses	6(26)	26,230	26,751
Expected credit impairment gains (losses)	6(26)	(20,576)	24,260
Net loss (gain) on financial assets measured at fair value through profit or loss	6(24)	475	(475)
Interest expenses	6(25)	59,323	69,788
Interest income	6(22)	(9,478)	(4,365)
Losses (gains) from disposal of property, plant and equipment	6(24)	596	(130)
Gains from the disposal of non-current assets held for sale	6(24)	(363,530)	-
Impairment loss on property, plant and equipment	6(7)(10)(24)	-	2,787
Losses from disasters	6(24)	572	-
Losses from lease modification	6(24)	17	-
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Notes receivable		(203,812)	(228,608)
Accounts receivable		(255,980)	(42,922)
Other receivables		(7,623)	(6,151)
Inventory		(252,592)	1,060,883
Prepayments		(35,329)	32,897
Other current assets		(349)	(127)
Other non-current assets		(11,364)	-
Net changes in operating liabilities			
Contract liabilities		1,988	(563)
Notes payable		(3,265)	31,379
Accounts payable		313,660	44,871
Other payables		53,714	(14,791)
Other current liabilities		2,059	59,844
Other non-current liabilities		(2,018)	5,493
Cash inflow (outflow) from operations		(423,850)	756,579
Interest received		9,478	4,365
Interest paid		(57,460)	(57,864)
Income tax paid		(43,090)	(74,262)
Net cash inflow (outflow) from operating activities		(514,922)	628,818

(continued on next page)

TBI Motion Technology Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flows
For the Years Ended December 31, 2025 and 2024

Unit: NT$ thousand

	Notes	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Cash flow from investing activities			
Proceeds from the disposal of non-current assets held for sale		$ 534,392	$ -
Acquisition of property, plant and equipment	6(30)	(114,899)	(78,046)
Proceeds from the disposal of property, plant and equipment		333	5,956
Decrease (Increase) in refundable deposits		(1,083)	763
Acquisition of intangible assets		(16,772)	(21,225)
Decrease (Increase) in prepayment for equipment		(16,847)	4,389
Net cash inflow (outflow) from investing activities		385,124	(88,163)
Cash flows from (used in) financing activities			
Increase (decrease) in short-term borrowings	6(31)	170,851	(220,000)
Repayment of corporate bonds	6(31)	(9,100)	-
Incurrence of long-term borrowings	6(31)	431,000	81,730
Repayments of long-term borrowings	6(31)	(435,549)	(235,998)
Decrease in guarantee deposits received	6(31)	-	(4,326)
Payments of lease liabilities	6(31)	(96,341)	(42,817)
Net cash inflow (outflow) from financing activities		60,861	(421,411)
Effect of exchange rate changes on cash and cash equivalents		13,535	1,282
Increase (Decrease) in cash and cash equivalents in current period		(55,402)	120,526
Cash and cash equivalents at beginning of period	6(1)	732,570	612,044
Cash and cash equivalents at end of period	6(1)	$ 677,168	$ 732,570

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Ching-Kun Lee
Manager: Ching-Sheng Lee
Accounting supervisor: Hsin-Kai Shen

Unit: NT$ thousand (unless otherwise specified)

1. Company history

TBI Motion Technology Co., Ltd. (hereinafter referred to as the "Company") was incorporated in the Republic of China. The Company and its subsidiaries' (hereinafter referred to as "the Group") main business scope is manufacturing and sales of precision transmission components for industrial automation, ball screws and linear slides. The Group's shares have been traded on the Taiwan Stock Exchange since August 15, 2018.

2. Date and procedure for approving the financial statements

The consolidated financial statements were approved for release by the Board of Directors on March 9, 2026.

3. Application of new and amended standards and interpretations

(1) The impact of the adoption of the new and amended IFRS Accounting Standards approved and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The following table sets forth the standards and interpretations of new releases, amendments, and revisions of the IFRS Accounting Standards applicable in 2025 that were approved and promulgated by the FSC:

New/amended/revised standards and interpretations	Effective date announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Group.

(2) The impact of not yet adopting the new and revised IFRS Accounting Standards recognized by the FSC

The following table summarizes the standards and interpretations for the new releases, amendments, and revisions of the IFRS Accounting Standards applicable in 2026 as approved by the FSC:

New/amended/revised standards and interpretations	Effective date announced by IASB
Amendments to IFRS No. 9 and IFRS No. 7 "Amendment to the Classification and Measurement of Financial Instruments"	January 1, 2026

New/amended/revised standards and interpretations	Effective date announced by IASB
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

The Group has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Group.

(3) Impacts of IFRS Accounting Standards issued by the IASB but not yet endorsed by the FSC

The following table summarizes the standards and interpretations of new releases, amendments, and revisions to the IFRS Accounting Standards issued by the IASB but not yet recognized by the FSC:

New/amended/revised standards and interpretations	Effective date announced by IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS 21, “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note: The FSC announced in a press release dated September 25, 2025, that public companies shall apply International Financial Reporting Standard (IFRS) 18 (hereinafter referred to as IFRS 18) starting from the fiscal year 2028; furthermore, if an entity requires early adoption of IFRS 18, it may elect to apply the provisions of IFRS 18 in advance after the FSC endorses IFRS 18.

Except for the following, the Group has assessed that the standards and interpretations above have no significant impact on the Group's financial position and financial performance and the amount of the relevant impact will be disclosed when the assessment is completed:

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 and updates the structure of the comprehensive income statement, adds the disclosure of management performance measurement and strengthens the application in the summary and principle of subdivision of the main financial statements and notes.

4. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the consolidated financial statements are described as follows. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers, and IFRSs as endorsed and issued into effect by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following material items, this consolidated financial statement has been prepared at historical cost:

(A) Financial assets and liabilities (including derivatives) at fair value through profit or loss were measured at fair value.

(B) Financial assets measured at fair value through other comprehensive income were measured at fair value.

B. The preparation of the financial statements in conformity with the IFRSs as endorsed and issued into effect by the FSC requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Principles for the preparation of consolidated financial statements

(A) The Group included all subsidiaries in the consolidated financial statements. Subsidiaries refer to individual entities (including structured individual entities) that the Group has the right to control. When the Group is exposed to or entitled to variable remuneration from participation in the entity and through the power over the entity having influence over the returns, the Group controls the entity. Subsidiaries are included in the consolidated financial statements from the date the Group acquires the control, and the consolidation is terminated from the date of loss of control.

(B) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Group.

(C) The components of profit or loss and other comprehensive income are attributed to the owners and non-controlling interests of the parent company; the total amount of comprehensive income is also attributed to the owners and non-controlling interests of the parent company, even if the resulting non-controlling interests incur balance.

(D) If the change in the shareholding of the subsidiary does not result in the loss of control (transaction with non-controlling interests), it is treated as an equity transaction, that is, it is regarded as a transaction with the owner. The difference between the adjusted amount of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.

(E) When the Group loses control of a subsidiary, the remaining investment in the former subsidiary is re-measured at fair value, and treated as the fair value of the initially recognized financial assets or the cost of the investment in affiliates or joint ventures initially. The difference between the fair value and the carrying amount is recognized in current profit or loss. The accounting treatment of all amounts related to the subsidiary previously recognized in other comprehensive income shall be the same as the basis for the direct disposal of the relevant assets or liabilities by the Group. That is, if the profit or loss previously recognized as other comprehensive income will be reclassified as profit or loss when the relevant assets or liabilities are disposed, the profit or loss will be reclassified from equity to profit or loss when the significant control over the subsidiary is lost.

B. Subsidiaries included in the consolidated financial statements:

			Percentage of equity held		
Name of investor	Name of subsidiary	Nature of business	December 31, 2025	December 31, 2024	Description
TBI Motion Technology Co., Ltd.	TBI Motion Technology (USA) LLC.	Sale of precision transmission components for the automated industry	100%	100%	None
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Sale of precision transmission components for the automated industry	100%	100%	None
TBI Motion Technology Co., Ltd.	TBI Motion Technology (HK) LTD.	Holding company for overseas enterprises	100%	100%	None

Name of investor	Name of subsidiary	Nature of business	Percentage of equity held December 31, 2025	Percentage of equity held December 31, 2024	Description
TBI Motion Technology (HK) LTD.	TBI Motion Technology (Suzhou) Co., Ltd.	Sale of precision transmission components for the automated industry	100%	100%	None
TBI Motion Technology (HK) LTD.	TBI Motion Technology (Jiangsu) Co., Ltd.	Sale of precision transmission components for the automated industry	100%	-	Note

Note: In response to operational needs and to expand its business scope, the Group invested in and established TBI Motion Technology (Jiangsu) Co., Ltd. on July 10, 2025, holding 100% of the equity.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Different adjustment and treatment methods of subsidiaries during the accounting period: None.

E. Material restriction: None.

F. Subsidiaries with non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

The items listed in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the individual operates (i.e. the functional currency). The presentation currency of the consolidated financial statements is the functional currency of the Company, which is "NTD".

A. Transactions and balances in foreign currency

(A) Transactions denominated in foreign currencies are translated into the functional currency using the spot exchange rate on the transaction date or the measurement date and the translation differences arising from such transactions are recognized in profit or loss for the current period.

(B) The balance of monetary assets and liabilities denominated in foreign currencies is adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment is recognized in the current profit or loss.

(C) For the balance of non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss, they are adjusted using the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in the current profit or loss; if measured at fair value through other comprehensive income, the adjustment is valuated according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in other comprehensive income; if not measured at fair value, it is measured at the historical exchange rate on the initial transaction date.

(D) All foreign exchange gains and losses are reported in the "other gains and losses" of the Statement of Comprehensive Income.

B. Translation of foreign operations

For all group individuals and affiliated enterprises whose functional currency is different from the presentation currency, the operating results and financial position shall be translated into the presentation currency in the following ways:

(A) The assets and liabilities expressed in each balance sheet are translated at the closing exchange rate on the balance sheet date;

(B) The income, expenses and losses expressed in each comprehensive income statement are translated at the average exchange rates of the current period;

(C) All exchange differences arising from translation are recognized in other comprehensive income.

(5) <u>Classification criteria for current and non-current assets and liabilities</u>

A. Assets that meet one of the following conditions are classified as current assets:

(A) The asset is expected to be realized, or intended to be sold or consumed in the normal business cycle.

(B) Mainly held for the purpose of trading.

(C) Assets expected to be realized within 12 months after the reporting period.

(D) Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period).

The Group classifies all assets that do not meet the above conditions as non-current.

B. Liabilities that meet one of the following conditions are classified as current liabilities:

(A) Expected to be settled in the normal business cycle.

(B) Mainly held for the purpose of trading.

(C) Liabilities to be settled within 12 months after the reporting period.

(D) Those without the right to defer the settlement of liabilities for at least 12 months after the reporting period.

The Group classifies all liabilities that do not meet the above conditions as non-current.

(6) Cash equivalents

Cash equivalent is a short-term investment with high liquidity that is readily convertible into known amounts of cash and is subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held to meet short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets measured at fair value through profit or loss

A. Financial assets measured at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. The Group adopts trade date accounting for financial assets measured at fair value through profit or loss that are customary transactions.

C. The Group measures their fair value at the time of initial recognition and the relevant transaction costs are recognized in profit or loss; subsequently, they are measured at fair value, and the profit or loss is recognized in profit or loss.

D. When the right to receive dividends is determined, economic benefits related to dividends are likely to flow in, and when the amount of dividends can be reliably measured, the Group recognizes dividend income in profit or loss.

(8) Financial assets measured at fair value through other comprehensive income

A. Refers to an irrevocable choice at the time of initial recognition to report changes in the fair value of investments in equity instruments that are not held for trading in other comprehensive income.

B. The Group adopts trade date accounting for financial assets measured at fair value through other comprehensive income in accordance with transaction practices.

C. The Group measures according to its fair value plus transaction cost at the time of initial recognition, and subsequently measured at fair value: changes in fair value of equity instruments are recognized in other comprehensive income, and at the time of derecognition, the accumulated profit or loss previously recognized in other comprehensive income shall not be reclassified as profit or loss, but transferred to retained earnings. When the right to receive dividends is determined, economic benefits related to dividends are likely to flow in, and when the amount of dividends can be reliably measured, the Group recognizes dividend income in profit or loss.

(9) Financial assets measured at amortized cost

A. Refers to those who meet the following conditions at the same time:

(A) The financial asset is held under the business model for the purpose of collecting contractual cash flow.

(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.

B. The Group adopts trade date accounting for financial assets measured at amortized cost in accordance with trading practices.

C. The Group holds time deposits that do not qualify as cash equivalents. Due to the short holding period, the impact of discounting is not significant and is measured at the investment amount.

(10) Accounts and notes receivable

A. It refers to accounts and notes that have been unconditionally received in exchange for the right to the amount of consideration for the delivery of goods or services as agreed in the contract.

B. The non-interest-bearing short-term accounts and notes receivable is barely affected by discounting, so the Group measures them at the original invoice amount.

(11) Financial assets impairment

On each balance sheet date, the Group, regarding debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost, considering all reasonable and corroborating information (including forward looking ones), if the credit risk has not increased significantly since the initial recognition, the loss allowance is measured at the 12-month expected credit loss amount; if the credit risk has increased significantly since the original recognition, the loss allowance is measured at the lifetime expected credit loss amount. For accounts receivable that do not include a significant financial component, the loss allowance is measured at the amount of lifetime expected credit losses.

(12) Derecognition of financial assets

When the contractual right to receive the cash flow from the financial asset expires, the financial asset will be derecognized.

(13) Lease transaction - Lessor

Lease income from operating leases, net of any incentives given to the lessee, is amortized on a straight-line basis over the lease term and recognized as current profit or loss.

(14) Inventory

Inventories are measured at the lower of cost or net realizable value, and the cost is determined in accordance with the weighted average method. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses (allocated according to normal production capacity), but does not include borrowing costs. When comparing whether the cost or the net realizable value is lower, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the normal business process less the estimated cost of completion and the estimated cost of sales balance.

(15) Non-current assets held for sale

When the carrying amount of a non-current asset is mainly recovered through a sale transaction rather than continued use, and the sale is highly probable, it is classified as an asset held for sale and measured at the lower of its carrying amount or fair value less costs to sell.

(16) Property, plant and equipment

A. Property, plant and equipment are recorded at acquisition cost, and the relevant interest during the acquisition and construction period is capitalized.

B. The subsequent cost is included in the book value of the asset or recognized as an individual asset only when the future economic benefits related to the item are likely to flow into the Group and the cost of the item can be reliably measured. The book value of the replaced part shall be derecognized. All other maintenance expenses are recognized in profit or loss for the period when incurred.

C. Property, plant and equipment are subsequently measured at cost. Except for land, which is not depreciated, the depreciation is calculated using the straight-line method over the estimated useful years. Significant components of property, plant, and equipment are depreciated separately.

D. The Group reviews the residual value, years of useful life and depreciation method of each asset at the end of each fiscal year. If the residual value and the expected value of useful years are different from the previous estimates, or if the future economic benefits of the asset shows a significant change in the expected consumption pattern, from the date of the change, it is treated in accordance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" for changes in accounting estimates. The useful life of each asset is as follows:

Buildings	2 to 45 years
Machinery and equipment	2 to 16 years
Transportation equipment	4 to 6 years
Other equipment	2 to 20 years

(17) Lessee's lease transaction - right-of-use assets/lease liabilities

A. Lease assets are recognized as right-of-use assets and lease liabilities on the date they are available for use by the Group. When a lease contract is a short-term lease or lease of a low-value asset, the lease payment is recognized as an expense during the lease term using the straight-line method.

B. Lease liabilities are recognized at the present value of the lease payments that have not been paid at the commencement date of a lease at the discounted interest rate of the Group's incremental borrowings. The lease payments include:

(C) Fixed payments, less any rental incentives that can be collected;

(D) Variable lease payments depending on a certain index or rate;

Subsequently, an interest approach is adopted to measure said payments at amortized cost, and interest expenses are recognized over the lease term. When changes in the lease term or lease payment due to non-contract modification, the lease liabilities will be reassessed and the right-of-use assets will be adjusted in the remeasurement.

C. The right-of-use asset is recognized at cost at the commencement date of a lease, and the cost includes:

(E) The initially measured amount of the lease liability;

(F) Any lease payments made at or before the commencement date;

(G) Any initial direct costs incurred; and

Subsequently, such an asset is measured at cost and recognized in depreciation expenses when the useful life of the right-of-use asset expires or the lease term expires, whichever is earlier. When a lease liability is reassessed, the remeasurement of the lease liability will be adjusted for the right-of-use asset.

D. Except for lease modifications with reduced lease scope, where the lessee reduces the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognizes the difference between this and the remeasured lease liability in profit or loss, all other lease modifications result in a corresponding adjustment to the right-of-use asset based on the remeasured lease liability amount.

(18) Intangible assets

Mainly computer software and patents, they are recognized at acquisition cost and amortized using the straight-line method over the estimated useful lives of 1 to 18 years.

(19) Non-financial assets impairment

The Group estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount is lower than its carrying amount, it is recognized in impairment loss. The recoverable amount is the fair value of an asset less the cost of disposal or its value in use, whichever is higher. When there is no impairment or reduced impairment in an asset recognized in prior years, the impairment loss shall be reversed, but the increased portion of the carrying amount of the asset due to the reversal of the impairment loss shall not exceed the carrying amount of the asset less depreciation or amortization without impairment loss recognized.

(20) Borrowings

Refers to long-term and short-term borrowings from banks. The Group measures their fair values less transaction costs at the time of initial recognition, and subsequently, for any difference between the price after deducting transaction costs and the redemption value, the effective interest method is used to recognize interest expenses in the outstanding period according to the amortization procedure in profit or loss.

(21) Accounts and notes payable

A. Refers to debts incurred from the purchase of raw materials, commodities or labor services on credit, and notes payable due to business and non-business reasons.

B. The non-interest-bearing short-term accounts and notes payable are barely affected by discounting, so the Group measures them at the original invoice amounts.

(22) Convertible corporate bonds payable

The convertible bonds issued by the Group are embedded with conversion rights (i.e. holders can choose the right to convert into the Group's common shares with a fixed amount of shares converted into a fixed number of shares) and repurchase options. At the time of initial issuance, the issuance price is divided into financial assets, financial liabilities or equity according to the issuance conditions, and the treatment is as follows:

A. Embedded repurchase rights: The net fair value is stated as "financial assets measured at fair value through profit or loss" at the time of initial recognition; subsequently, on the balance sheet date, it is evaluated at the then fair value; differences are recognized as “Gains or losses on financial assets measured at fair value through profit or loss”.

B. Corporate bond host contract: The difference between the fair value measurement at the time of initial recognition and the redemption value is recognized as the corporate bond premium or discount payable; subsequently, the effective interest method is used and recognized in the profit or loss during the outstanding period according to the amortization procedure. It is used as an adjustment item in "Finance cost."

C. Embedded conversion right (complying with the definition of equity): At the time of initial recognition, the residual value of the issued amount, after adding the above-mentioned "financial assets measured at fair value through profit or loss" and deducting "corporate bonds payable," is accounted for under "capital equity - stock options" and no subsequent remeasurement is required.

D. Any directly attributable transaction costs of the issuance are allocated to each component of each liability and equity in accordance with the original book value of each component referred to above.

E. When the holders are changed, the liability components (including "corporate bonds payable" and "financial assets measured at fair value through profit or loss") are accounted for according to their classification and then plus the carrying amount of "capital reserve - share options" as the issuance cost of the common shares.

(23) Derecognition of financial liabilities

The Group derecognizes financial liabilities when the contractual obligations are fulfilled, cancelled or expired.

(24) Provisions

A provision is recognized when there is a present legal or constructive obligation as a result of a past event, and it is probable 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. A provision is measured based on the best estimate of the present value of an expense required to settle the obligation on the balance sheet date. The discount rate is a pre-tax discount rate that reflects the real-time market assessment of the time value of money and specific risks of the liabilities. Amortization of the discount is recognized in interest expenses. No provisions shall be recognized for future operating losses.

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured by the non-discounted amount expected to be paid, and are recognized as expenses when the related services are provided.

B. Pension

Defined contribution plan

For the defined contribution plan, the amount that should be contributed to the pension fund is recognized as the current pension cost on an accrual basis. Prepaid allocations are recognized as assets within the scope of refundable cash or reduction of future payments.

C. Remuneration to employees and directors

Employees' remuneration and directors' remuneration are recognized as expenses and liabilities when they have legal or constructive obligations and the amount can be reasonably estimated. If there is a discrepancy between the actual distributed amount and the estimated amount, it will be treated as a change in accounting estimate. If the employee's remuneration is paid in shares, the number of shares is calculated based on the closing price on the day before the date of the resolution of the board of directors.

(26) Income tax

A. Income tax expense includes current and deferred income tax. Except for income tax related to items included in other comprehensive income or directly included in equity recognized in comprehensive income or in equity directly, income tax is recognized in profit or loss.

B. The Group calculates the income tax for the current period in accordance with the tax rate that has been enacted or substantially enacted in the countries where the Group is operating and generating taxable income on the balance sheet date. The management regularly evaluates the status of income tax filings in accordance with the applicable income tax related laws and regulations, and, if applicable, the estimated income tax liabilities based on the tax expected to be paid to the taxing authorities. A surtax is imposed on the undistributed earnings in accordance with the Income Tax Act. In the year following the year in which the earnings are generated, after the shareholders' meeting has passed the earnings distribution proposal, the income tax expense on the undistributed earnings will be recognized based on the earnings actually distributed.

C. Deferred income tax is recognized based on the temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet using the balance sheet method. The deferred income tax liabilities arising from the initially recognized goodwill shall not be recognized. If the deferred income tax is derived from the initial recognition of assets or liabilities in the transaction (excluding business combination) on the initial recognition of assets or liabilities, and the transaction does not affect accounting profits or taxable income (taxable losses) at the time of the transaction and does not generate equivalent taxable and deductible temporary differences, they are not to be recognized. If the temporary difference generated by the investment in the subsidiaries can be controlled by the Group to control the time point for the temporary difference to reverse, and the temporary difference is very likely not to be reversed in the foreseeable future, it shall not be recognized. Deferred income tax is based on the tax rate (and tax law) that has been enacted or substantially enacted at the balance sheet date and that is expected to apply when the related deferred income tax assets are realized or deferred income tax liabilities are settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

E. When there is a legally enforceable right to offset the amount of current income tax assets and liabilities recognized, and there is an intention to settle on a net basis or realize the assets and settle the liabilities at the same time, offset the current income tax assets and liabilities; when there is a legally enforceable right to offset current income tax assets and current income tax liabilities, and the deferred income tax assets and liabilities are levied by the same taxation authority, the same taxable entity, or different taxable entities and each entity intends to repay on the basis of the net amount or to realize assets and repay liabilities at the same time, the deferred income tax assets and liabilities are offset.

(27) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or share options, net of income tax, are recognized in equity as a deduction of the consideration.

(28) Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when the shareholders' meeting resolves to distribute dividends. Cash dividends are recognized as liabilities, and stock dividends are recognized as stock dividends to be distributed and transferred to common shares on the record date of issuance of new shares.

(29) Revenue recognition

Sale of goods

A. The Group manufactures and sells precision transmission components for industrial automation, ball screws and linear guides. Revenue from sales is recognized when the control of the product is transferred to the customer. That is, when the product is delivered to the customer, the customer has discretion over the sales channel and price of product, and when there are no outstanding performance obligations by the Group that may affect the customer's acceptance of the product. When the product is transported to the designated location, the risk of obsolescence and loss has been transferred to the customer, and the customer accepts the product in accordance with the sales contract, or there is objective evidence to prove that all acceptance criteria have been met.

B. Accounts receivable are recognized when the goods are delivered to the customer, as the Group has an unconditional right to the contract price from that point on and it only takes time to collect the consideration from the customer.

(30) Government grants

Government subsidies are recognized at fair value when it is reasonably certain that the enterprise will comply with the conditions attached to the government subsidies and the subsidies will be received. If the nature of the government subsidies is to compensate the expenses incurred by the Group, the government subsidies shall be recognized as current profit or loss on a systematic basis in the period in which the relevant expenses are incurred. Government grants related to property, plant and equipment are recognized as non-current liabilities and recognized in current profit or loss on a straight-line basis over the estimated useful life of the related assets.

(31) Operating department

The information of the Group's operating segments is reported in a consistent manner with the internal management reports provided to major operational decision makers. The chief operational decision-makers are responsible for allocating resources to operating segments and evaluating their performance.

5. Major sources of uncertainty in major accounting judgments, estimates and assumptions

When the Group prepared these consolidated financial statements, the management has exercised its judgment to determine the accounting policies adopted, and made accounting estimates and assumptions based on reasonable expectations of future events as of the balance sheet date. Significant accounting estimates and assumptions made may differ from the actual results. Historical experience and other factors will be considered for continuous evaluation and adjustment. Please refer to the following descriptions of significant accounting judgments, estimates and uncertainties of assumptions:

(1) Important judgment on the adoption of accounting policies

None.

(2) Important accounting estimates and assumptions

A. Impairment assessment of accounts receivable

In the process of impairment assessment of accounts receivable, after considering all reasonable and corroborating information (including forward-looking information) for accounts receivable with significant financing components, if the credit risk has not increased significantly since the initial recognition, the loss allowance is measured at the 12-month expected credit loss amount; if the credit risk has increased significantly since the original recognition, the loss allowance is measured at the lifetime expected credit loss amount. For accounts receivable that do not include a significant financial component, the loss allowance is measured at the amount of lifetime expected credit losses. The assessment of this allowance is based on reasonable expectations of future events based on the circumstances at the balance sheet date, but actual results may differ from estimates and potentially lead to significant changes.

B. Inventory valuation

Since inventories must be valued at the lower of cost or net realizable value, the Group must use judgment and estimate to determine the net realizable value of inventories on the balance sheet date. Due to the rapid changes in market products, the Group assesses the amount of inventories due to normal wear and tear, obsolete or no market sales value on the balance sheet date, and writes off the inventory cost to the net realizable value. The inventory valuation was mainly based on the estimated product demand in a specific future period, so significant changes may occur.

6. Description of major accounting titles

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and revolving funds	$ 1,318	$ 1,302
Checking deposit and demand deposit	667,972	711,592
Time deposit	7,878	19,676
Total	$ 677,168	$ 732,570

A. The credit quality of the financial institutions with which the Group interacts is good, and the Group interacts with multiple financial institutions to diversify credit risks, and the possibility of default is expected to be very low.

B. On December 31, 2025 and 2024, the Group's bank deposits of $30,000 were classified as "financial assets at amortized cost - non-current" due to the restricted use of performance bonds.

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

Item	December 31, 2025	December 31, 2024
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Right to repurchase convertible bonds issued	$ -	$ 475

A. The breakdown of financial assets measured at fair value through profit or loss recognized in profit (loss) is as follows:

	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Right to repurchase convertible bonds issued	($ 475)	$ 475

B. The Company does not provide financial assets measured at fair value through profit or loss as collateral.

C. For information on the fair value of financial assets measured at fair value through profit or loss, please refer to Note 12, (3).

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

Item	December 31, 2025	December 31, 2024
Non-current items:		
Equity instrument		
Non-listed stocks	$ 52,515	$ 52,515
Valuation adjustment	36,403	36,403
Total	$ 88,918	$ 88,918

A. The Group chose to classify the equity investments that are strategic investments as financial assets measured at fair value through other comprehensive income.

B. The breakdown of financial assets measured at fair value through other comprehensive income recognized in profit or loss and comprehensive income is as follows:

	2025	2024
Equity instruments at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive income	$ -	($ 5,676)
Dividend income recognized in profit or loss and still held at the end of the current period	$ -	$ -

C. For relevant fair value information, please refer to Note 12(3).

(4) Financial assets measured at amortized cost

Item	December 31, 2025	December 31, 2024
Non-current items:		
Pledged time deposit	$ 30,000	$ 30,000

A. For the interest income recognized in profit or loss of financial assets measured at amortized cost in 2025 and 2024, please refer to Note 6 (22).

B. Please refer to Note 8 for the Group's financial assets measured at amortized cost as collaterals.

C. The trading counterparties of the Group’s certificates of deposit are all financial institutions with great credit quality, and the probability of default is expected to be low.

(5) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	$ 603,451	$ 399,639
Accounts receivable	$ 1,025,553	$ 769,573
Less: Loss allowance	(88,555)	(109,432)
	$ 936,998	$ 660,141
Non-performing loans (stated as other non-current assets)	$ 74,510	$ 74,510
Less: Loss allowance	(74,510)	(74,510)
	$ -	$ -

Receivables under collection refer to the outstanding balance of receivables that have been outsourced for collection and are subject to debt litigation.

A. The aging analysis of accounts receivable and notes receivable is as follows:

	December 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 516,287	$ 603,451	$ 351,576	$ 399,639
Overdue				
Within 30 days	159,607	-	134,583	-
31 to 90 days	159,205	-	99,475	-
91 to 180 days	101,899	-	74,507	-
More than 181 days	-	-	-	-
	$ 936,998	$ 603,451	$ 660,141	$ 399,639

The above ageing analysis was based on past due date.

B. The balance of accounts receivable and notes receivable on December 31, 2025 and 2024 were all arising from contracts with customers and the balance of accounts receivable on contracts with customers on January 1, 2024 was $972,713.

C. As of December 31, 2025 and 2024, the Group had discounted notes receivable of $$370,851, and $0, respectively. If the drawers default at maturity, the Group will be liable for repayment. However, under normal circumstances, the Group does not anticipate such defaults. The Group recognizes liabilities from discounted notes receivable under short-term borrowings.

D. Without considering the collateral or other credit enhancements held, the maximum exposure amount that best represents the credit risk of the notes receivable of the Group as of December 31, 2025 and 2024, was $603,451 and $399,639, respectively; the maximum credit risk exposure amount on December 31, 2025 and 2024, representing the Group was $936,998 and $660,141, respectively.

E. Please refer to Note 12(2) for the credit risk information of accounts receivable and notes receivable in detail.

(6) Inventory

	December 31, 2025		
	Cost	Allowance for devaluation losses	Carrying amount
Raw materials	$ 308,417	($ 108,469)	$ 199,948
Work in process	732,820	(86,708)	646,112
Finished goods	969,254	(242,505)	726,749
Total	$ 2,010,491	($ 437,682)	$ 1,572,809

	December 31, 2024		
	Cost	Allowance for devaluation losses	Carrying amount
Raw materials	$ 296,659	($ 86,125)	$ 210,534
Work in process	555,217	(71,392)	483,825
Finished goods	844,349	(217,919)	626,430
Total	$ 1,696,225	($ 375,436)	$ 1,320,789

Expenses and losses related to inventory recognized in the current period:

	2025	2024
Cost of inventory sold	$ 2,212,336	$ 2,282,975
Inventory valuation losses	61,244	111,825
Inventory losses	514	1,780
Revenue from sale of scraps	(3,536)	(1,817)
Assets retirement losses	42,344	24,629
	$ 2,312,902	$ 2,419,392

(7) Property, plant and equipment

	Land for self-use	Buildings for self-use	Machinery and equipment for self-use	Transportation equipment for self-use	Other assets for self-use	Construction in progress for self-use	Total
January 1, 2025							
Cost	$ 894,994	$ 1,624,004	$ 1,618,793	$ 5,397	$ 403,236	$ 77,070	$ 4,623,494
Accumulated depreciation	-	(474,481)	(1,203,896)	(3,653)	(303,687)	-	(1,985,717)
Accumulated impairment	-	-	(1,887)	(71)	(842)	-	(2,800)
	$ 894,994	$ 1,149,523	$ 413,010	$ 1,673	$ 98,707	$ 77,070	$ 2,634,977
2025							
January 1	$ 894,994	$ 1,149,523	$ 413,010	$ 1,673	$ 98,707	$ 77,070	$ 2,634,977
Addition	-	-	61,083	126	34,464	20,391	116,064
Disposal - cost	-	-	(62,528)	(280)	(5,189)	-	(67,997)
Disposal - Accumulated depreciation	-	-	61,599	280	5,189	-	67,068
Transfer	-	-	3,506	-	3,988	(4,619)	2,875
Depreciation expenses	-	(51,917)	(110,157)	(542)	(40,154)	-	(202,770)
Net exchange difference	-	-	4,031	(6)	(247)	-	3,778
December 31	$ 894,994	$ 1,097,606	$ 370,544	$ 1,251	$ 96,758	$ 92,842	$ 2,553,995
December 31, 2025							
Cost	$ 894,994	$ 1,624,004	$ 1,624,901	$ 5,256	$ 436,783	$ 92,842	$ 4,678,780
Accumulated depreciation	-	(526,398)	(1,252,461)	(3,935)	(339,179)	-	(2,121,973)
Accumulated impairment	-	-	(1,895)	(71)	(846)	-	(2,812)
	$ 894,994	$ 1,097,606	$ 370,545	$ 1,250	$ 96,758	$ 92,842	$ 2,553,995

	Land for self-use	Buildings for self-use	Machinery and equipment for self-use	Transportation equipment for self-use	Other assets for self-use	Construction in progress for self-use	Total
January 1, 2024							
Cost	$ 894,994	$ 1,624,004	$ 1,524,764	$ 5,886	$ 395,200	$ 124,076	$ 4,568,924
Accumulated depreciation	-	(419,535)	(1,089,727)	(3,769)	(285,405)	-	(1,798,436)
	$ 894,994	$ 1,204,469	$ 435,037	$ 2,117	$ 109,795	$ 124,076	$ 2,770,488
2024							
January 1	$ 894,994	$ 1,204,469	$ 435,037	$ 2,117	$ 109,795	$ 124,076	$ 2,770,488
Addition	-	-	45,716	1,400	28,382	8,788	84,286
Disposal - cost	-	-	(7,432)	(1,969)	(22,536)	-	(31,937)
Disposal - Accumulated depreciation	-	-	3,024	619	22,468	-	26,111
Transfer	-	-	52,495	-	1,280	(55,794)	(2,019)
Depreciation expenses	-	(54,946)	(114,349)	(483)	(40,557)	-	(210,335)
Impairment loss	-	-	(1,878)	(71)	(838)	-	(2,787)
Net exchange difference	-	-	397	60	713	-	1,170
December 31	$ 894,994	$ 1,149,523	$ 413,010	$ 1,673	$ 98,707	$ 77,070	$ 2,634,977
December 31, 2024							
Cost	$ 894,994	$ 1,624,004	$ 1,618,793	$ 5,397	$ 403,236	$ 77,070	$ 4,623,494
Accumulated depreciation	-	(474,481)	(1,203,896)	(3,653)	(303,687)	-	(1,985,717)
Accumulated impairment	-	-	(1,887)	(71)	(842)	-	(2,800)
	$ 894,994	$ 1,149,523	$ 413,010	$ 1,673	$ 98,707	$ 77,070	$ 2,634,977

A. For information on property, plant and equipment as collateral, please refer to the descriptions in Note 8.

B. On November 11, 2024, the Group's Board of Directors resolved to sell real estate located on Xinyi Road, Daxi District, Taoyuan City. The Group is actively seeking a buyer, and the transaction is not certain to be completed within one year.

C. For information on impairment of property, plant and equipment, please refer to Note 6(10).

(8) Lease transaction - Lessee

A. The assets leased by the Group included land, buildings, official vehicles and telephone systems over lease terms of usually 2 to 50 years. Lease contracts are negotiated separately and include various terms and conditions. No other restrictions are imposed except that the leased assets may not be used as guarantees for loans.

B. The lease term for some of the warehouses leased by the Group does not exceed 12 months. In addition, as of December 31, 2025 and 2024, the Group's lease payments for short-term lease commitments were $4,288, and $5,536, respectively.

C. The carrying amount of the right-of-use assets and the information of depreciation expense recognized are as follows:

	December 31, 2025		December 31, 2024	
	Carrying amount		Carrying amount	
Land	$	729,221	$	691,072
Buildings		33,338		47,684
Transportation equipment (office vehicles)		5,329		4,046
Other equipment		1,515		-
	$	769,403	$	742,802

	2025		2024	
	Depreciation expenses		Depreciation expenses	
Land	$	18,735	$	18,553
Buildings		20,344		19,536
Transportation equipment (office vehicles)		3,693		4,228
Other equipment		990		6,938
	$	43,762	$	49,255

D. The additions to the Group’s right-of-use assets during 2025 and 2024 were $71,628 and $154,083, respectively.

E. The information of loss (gain) related to lease contract is as follows:

	2025		2024	
Items affecting current profit or loss				
Interest expense on lease liabilities	$	12,858	$	12,693
Expense on short-term lease contracts		4,288		5,536
Losses from lease modification		17		-

F. The Group's total lease cash outflow in 2025 and 2024 was $113,487 and $61,046, respectively.

(9) Intangible assets

	Patent right	Computer software	Total
January 1, 2025			
Cost	$ 12,000	$ 50,826	$ 62,826
Accumulated amortization	(11,899)	(26,984)	(38,883)
	$ 101	$ 23,842	$ 23,943
2025			
January 1	$ 101	$ 23,842	$ 23,943
Addition	-	16,772	16,772
Transfer	-	1,685	1,685
Amortization expenses	(25)	(26,205)	(26,230)
Net exchange difference	-	43	43
December 31	$ 76	$ 16,137	$ 16,213
December 31, 2025			
Cost	$ 12,000	$ 69,264	$ 81,264
Accumulated amortization	(11,924)	(53,127)	(65,051)
	$ 76	$ 16,137	$ 16,213

	Patent right	Computer software	Total
January 1, 2024			
Cost	$ 12,000	$ 110,306	$ 122,306
Accumulated amortization	(11,873)	(82,620)	(94,493)
	$ 127	$ 27,686	$ 27,813
2024			
January 1	$ 127	$ 27,686	$ 27,813
Addition	-	21,225	21,225
Disposal - cost	-	(82,353)	(82,353)
Disposal - Amortization	-	82,353	82,353
Transfer of prepaid equipment payment	-	1,648	1,648
Amortization expenses	(26)	(26,725)	(26,751)
Net exchange difference	-	8	8
December 31	$ 101	$ 23,842	$ 23,943
December 31, 2024			
Cost	$ 12,000	$ 50,826	$ 62,826
Accumulated amortization	(11,899)	(26,984)	(38,883)
	$ 101	$ 23,842	$ 23,943

The details of amortization of intangible assets are as follows:

	2025	2024
Operating costs	$ 2,240	$ 4,268
Selling expenses	94	93
General and administrative expenses	18,885	19,790
Research and development expenses	5,011	2,600
	$ 26,230	$ 26,751

(10) Non-financial assets impairment

The Group performed impairment tests on property, plant, and equipment, adjusted their carrying amounts based on recoverable amounts, and recognized impairment losses of $- and $2,787 in 2025 and 2024, respectively. The recoverable amount is assessed using the fair value less cost of disposal, and adjusted using the cost method according to transaction prices reflecting market liquidity and other relevant factors. The details of the impairment losses recognized by the Group in 2025 and 2024 are as follows:

	2025		2024	
	Recognized in current profit or loss	Recognized in other comprehensive income (loss)	Recognized in current profit or loss	Recognized in other comprehensive income (loss)
Impairment loss - Machinery and equipment	$ -	$ -	$ 1,878	$ -
Impairment loss - Transportation equipment	-	-	71	-
Impairment loss - Other equipment	-	-	838	-
	$ -	$ -	$ 2,787	$ -

(11) Other non-current assets

	December 31, 2025	December 31, 2024
Prepayment for equipment	$ 31,216	$ 7,678
Refundable deposits	13,897	12,815
Other non-current assets	158	43
	$ 45,271	$ 20,536

(12) Non-current assets held for sale

The Group resolved to dispose of the real estate in Yingge District on November 8, 2023 and the related assets were classified as non-current assets held for sale.

	December 31, 2025	December 31, 2024
Property, plant and equipment	$ -	$ 230,564

The said non-current asset held for sale was re-measured at the lower of its book value or fair value less selling cost, and no impairment loss was incurred. Please refer to Note 8 for the guarantee information.

On September 25, 2024, the Group signed a contract with the buyer for $230,564 of real estate in Yingge District. The price of $600,000 (tax inclusive) was determined with reference to the report of Tian-Yi Real Estate Appraiser & Associates. On December 16, 2024, a new sales contract with the same sale price was re-signed, and the first installment of $59,703 (tax exclusive) was collected (accounted for under other current liabilities - others). On April 10, 2025, the ownership transfer was completed. After deducting related transaction costs, the Company received proceeds of $534,392 (tax exclusive) and recognized a disposal gain of $363,530.

(13) Short-term borrowings

Category of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 250,000	1.94%-1.95%	None
Borrowings from discounted notes	370,851	0.69%-1.56%	Notes receivable
	$ 620,851		

Category of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 450,000	1.78-1.95%	None

A. Please refer to Note 6, (25) for the interest expense recognized in profit or loss in 2025 and 2024.

B. For the above-mentioned credit borrowings from financial asset institutions, the related party serves as the joint guarantor. Please refer to the descriptions in Note 7.

(14) Other payables

	December 31, 2025	December 31, 2024
Salaries and bonuses payable	$ 127,898	$ 119,448
Labor health insurance premium and pension payable	21,134	15,326
Equipment payable	11,605	10,440
Payables for packaging	15,237	10,396
Research and experimentation expenses payable	14,390	1,224
Other payable expenses	103,945	82,497
	$ 294,209	$ 239,331

(15) Long-term borrowings

Category of borrowings	Borrowing period and repayment method	Interest rate range	Collateral	December 31, 2025
Long-term bank borrowings				
Secured borrowings	From March 23, 2016 to January 26, 2042, interest is paid monthly, and principal is repaid in installments.	2.23%-2.40%	Land and buildings	$ 1,203,545
Unsecured borrowings	From July 1, 2020 to November 4, 2028, interest is paid monthly, and principal is repaid in installments.	1.53%-2.50%	None	620,261

Category of borrowings	Borrowing period and repayment method	Interest rate range	Collateral	December 31, 2025
				1,823,806
Less: Long-term borrowings due within one year or one operating cycle				(343,106)
				$ 1,480,700

Category of borrowings	Borrowing period and repayment method	Interest rate range	Collateral	December 31, 2024
Long-term bank borrowings				
Secured borrowings	From March 23, 2016 to January 26, 2042, interest is paid monthly, and principal is repaid in installments.	2.15%-2.33%	Land and buildings	$ 1,275,840
Unsecured borrowings	From December 1, 2016 to October 15, 2031, interest is paid monthly, and principal is repaid in installments.	1.43%-2.35%	None	552,515
				1,828,355
Less: Long-term borrowings due within one year or one operating cycle				(316,573)
				$ 1,511,782

A. Please refer to 6(25) for the interest expense recognized in profit or loss in 2025 and 2024.

B. For the above-mentioned loan from financial asset institutions, the related party serves as the joint guarantor. Please refer to the descriptions in Note 7.

(16) Corporate bonds payable

	December 31, 2025	December 31, 2024
Corporate bonds payable	$ -	$ 241,100
Less: Discount of corporate bond payable	-	(3,690)
	-	237,410
Less: Due within one year or one operating cycle	-	(237,410)
	$ -	$ -

A. Domestic convertible bonds issued by the Company

(A) The conditions for the Company's issuance of the first domestic secured convertible bonds are as follows:

a. The first domestic secured convertible bonds are approved by the competent authority. The total amount to be issued is $500,000, the coupon rate of 0%, the issuance period is 3 years, and the circulation period is from October 24, 2022 to October 24, 2025. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The first domestic secured convertible bonds were listed for trading on the Taipei Exchange on October 24, 2022.

b. From the day following the expiration of three months after the date of issue

(January 25, 2023) to the maturity date (October 24, 2025), outside of the transfer suspension period, the holders of these convertible corporate bonds may make a request for conversion into the Company's common shares at any time. The rights and obligations of the common shares after conversion are the same as the common shares originally issued.

c. The conversion price of these convertible corporate bonds was set in accordance with the pricing model stipulated in the Regulations for Conversion. Subsequently, the conversion price will be adjusted according to the pricing model stipulated in the Regulations for Conversion in case of the Company's anti-dilution clause. The conversion price shall be re-set according to the pricing model on the base date, both as stipulated in the Regulations for Conversion. If the conversion price is higher than the conversion price before the re-setting in the current year, no adjustment shall be made. The conversion price of these convertible corporate bonds at the time of issuance is $40.5 per share. Due to the distribution of cash dividends of the common shares, it has been adjusted in accordance with Article 11 of the Regulations for the Issuance and Conversion of the First Secured Convertible Corporate Bonds in Taiwan. Since September 13, 2023, the conversion price was adjusted from $40.5 per share to $38.9 per share.

d. From the day following the expiration of three months from the issuance of the convertible corporate bonds (January 25, 2023) to the 40 days prior to the expiration of the issuance period (September 15, 2025), when the closing price of the Company's common shares exceeds 30% of the conversion price at the time for thirty consecutive business days, or the day following three months after issuance of the convertible corporate bonds (January 25, 2023) to the 40 days prior to the expiration of the issuance period (September 15, 2025), if the outstanding balance of the convertible bonds is less than 10% of the initial issuance amount, the Company may recover all of the bonds in cash at the par value at any time thereafter.

e. In accordance with the Regulations Governing the Conversion, all the Corporate Bonds for which the Bonds are redeemed (including those bought back from Taipei Exchange), repaid or converted will be cancelled, and all the rights and obligations attached to the bonds shall be extinguished at the same time, and will not be issued again.

f. As of December 31, 2025, the face value of $498,900 of the convertible corporate bond has been converted into 12,824,864 common shares, of which 1,467,836 shares were resolved by the Board of Directors on January 30, 2026, with a record date of January 30, 2026, and the change registration has been completed on February 25, 2026.

(B) The conditions for the Company's issuance of the second domestic unsecured convertible bonds are as follows:

a. The second domestic unsecured convertible bonds are approved by the competent authority. The total amount to be issued is $300,000, the coupon rate of 0%, the issuance period is 3 years, and the circulation period is from December 12, 2022 to December 12, 2025. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The second domestic secured convertible bonds were listed for trading on the Taipei Exchange on December 12, 2022.

b. From the day following the expiration of three months after the date of issue (March 13, 2023) to the maturity date (December 12, 2025), outside of the transfer suspension period, the holders of these convertible corporate bonds may make a request for conversion into the Company's common shares at any time. The rights and obligations of the common shares after conversion are the same as the common shares originally issued.

c. The conversion price of these convertible corporate bonds was set in accordance with the pricing model stipulated in the Regulations for Conversion. Subsequently, the conversion price will be adjusted according to the pricing model stipulated in the Regulations for Conversion in case of the Company's anti-dilution clause. The conversion price shall be re-set according to the pricing model on the base date, both as stipulated in the Regulations for Conversion. If the conversion price is higher than the conversion price before the re-setting in the current year, no adjustment shall be made. The conversion price of these convertible corporate bonds at the time of issuance is $37 per share. Due to the distribution of cash dividends of the common shares, it has been adjusted in accordance with Article 11 of the Regulations for the Issuance and Conversion of the Second Unsecured Convertible Corporate Bonds in Taiwan. Since September 13, 2023, the conversion price was adjusted from $37 per share to $35.5 per share.

d. From the day following the expiration of three months from the issuance of the convertible corporate bonds (March 13, 2023) to the 40 days prior to the expiration of the issuance period (November 2, 2025), when the closing price of the Company's common shares exceeds 30% of the conversion price at the time for thirty consecutive business days, or the day following three months after issuance of the convertible corporate bonds (March 13, 2023) to the 40 days prior to the expiration of the issuance period (November 2, 2025), if the outstanding balance of the convertible bonds is less than 10% of the initial issuance amount, the Company may recover all of the bonds in cash at the par value at any time thereafter.

e. In accordance with the Regulations Governing the Conversion, all the Corporate

Bonds for which the Bonds are redeemed (including those bought back from Taipei Exchange), repaid or converted will be cancelled, and all the rights and obligations attached to the bonds shall be extinguished at the same time, and will not be issued again.

f. As of December 31, 2025, the face value of $292,000 of the convertible corporate bond has been converted into 8,183,860 common shares, of which 642,237 shares were resolved by the Board of Directors on January 30, 2026, with a record date of January 30, 2026, and the change registration has been completed on February 25, 2026.

B. When the Company issued the first and second convertible corporate bonds, in accordance with IAS 32 "Financial Instruments: Presentation," the conversion option that was of the nature of conversion was separated from each component of liabilities, and accounted for in "Capital reserve - share options" was totaled $49,598. In addition, the embedded repurchase options are not closely related to the economic characteristics and risks of the debt instrument of the host contract in accordance with IFRS 9 "Financial Instruments," so they are separated and accounted for in the net amount of "Financial assets measured at fair value through profit or loss." The effective interest rate of the host contract after the separation is 1.8053% to 1.9797%.

(17) <u>Pension</u>

A. In accordance with the "Labor Pension Act", the Group has established a defined contribution retirement method, which is applicable to domestic employees. In accordance with the labor pension system stipulated in the "Labor Pension Act" for employees choosing to apply for the labor pension, the Group contributes 6% of the monthly salary to the employee's individual account at the Bureau of Labor Insurance. The employee's pension is paid in accordance with the employee's individual pension. The amount of accumulated income and segregated account is withdrawn as monthly pension or lump sum.

B. The pension costs under the defined contribution pension plan of the Group in 2025 and 2024 amounted to $23,735 and $20,204, respectively.

(18) <u>Share capital</u>

A. On December 31, 2025, the Company's authorized capital was $3,000,000 divided into 300,000 thousand shares; the paid-in capital was $1,130,767 with a face value of $10 per share. Payment for the issued shares of the Company has been received. The number of outstanding common shares at the beginning and the end of the period is adjusted as follows: (Unit: Shares)

	2025	2024
January 1	109,138,184	95,158,828
Corporate bond conversion	6,048,540	13,979,356
December 31	115,186,724	109,138,184

B. Corporate bond conversion

As of December 31, 2025, the Company had 21,008,724 common shares issued due to the exercise of conversion rights with respect to the secured and unsecured convertible bonds issued by the Company in 2022, and the change of registration for 2,110,073 shares has been completed on February 25, 2026.

(19) Capital surplus

A. According to the Company Act, the capital surplus, including the income derived from issuing shares in excess of par and endowments, in addition to being used to offset a deficit, where the Company has no cumulative deficit, may be used to issue new shares or pay out cash in proportion to the shareholders' shareholdings. In addition, as per the Securities and Exchange Act, where the capital surplus above is used for capitalization, the total amount should not exceed 10% of the paid-in capital each year. The Company shall not use the additional paid-in capital to make up for the capital loss unless the earnings reserve is still insufficient to make up for the capital loss.

B. The changes in the capital reserves of the Company in 2025 and 2024 are as follows:

	2025			
	Issuance premium	Stock options	Others	Total
January 1	$ 2,056,507	$ 15,724	$ 25,244	$ 2,097,475
Exercise of the right to convert convertible corporate bonds into stock	184,921	(15,724)	490	169,687
December 31	$ 2,241,428	$ -	$ 25,734	$ 2,267,162

	2024			
	Issuance premium	Stock options	Others	Total
January 1	$ 1,651,944	$ 47,712	$ 25,244	$ 1,724,900
Exercise of the right to convert convertible corporate bonds into stock	404,563	(31,988)	-	372,575
December 31	$ 2,056,507	$ 15,724	$ 25,244	$ 2,097,475

(20) Accumulated deficit to be offset/Undistributed earnings

A. In accordance with the Company's Articles of Incorporation, where the Company has earnings at the end of the fiscal year, the Company shall first pay all taxes, offset its losses in the precious years and set aside a legal capital reserve at 10% of the net profit, which may be exempted when the accumulated legal capital reserve is equal the paid-in capital of the Company. Then set aside or reverse special capital reserve in accordance with operational demand of the Company and relevant laws or regulations or the requirements of the competent authority. Where there are still remaining earnings, the Board of Directors may propose the distribution of the remaining earnings plus the undistributed earnings of the previous years in the earnings distribution proposal for approval in the shareholders' meeting.

B. For the stability of the future business and long-term sound financial structure to generate the maximum profits for shareholders, the distribution of shareholders' bonus adopts cash and stock dividends balance policy. The dividends shall not be less than 10% of the distributable earnings in the current year. However, where the accumulated distributable earnings is less than 10% of the paid-in capital, the Company may transfer them into retained earnings and choose not to distribute dividends. During the earnings distribution, the dividends paid in cash shall not be less than 10% of the total dividends distributed in the current year.

C. The legal reserve may not be used except to make up for the Company's losses and issuing new shares or cash in proportion to the original number of shares held by shareholders. However, if new shares or cash are issued, it shall exceed 25% of the paid-up capital.

D. When the Company distributes earnings, the special reserve shall be set aside for the debit balance of other equity items on the balance sheet date of the current year according to laws and regulations before distribution. When the debit balance of other equity items is subsequently reversed, the amount of reversal may be included in the distribution available in earnings.

E. On June 26, 2025, the shareholder's meeting approved by resolution to offset 2024 losses by appropriating $125,767 from the legal reserve.

(21) Operating revenue

	2025	2024
Revenue from contracts with customers	$ 2,559,330	$ 2,294,281

A. Breakdown of revenue from customer contracts

The Group's income is derived from the goods transferred at a certain point in time, and the income can be divided into the following main products:

2025	Ball screw	Linear guide	Ball spline	Others	Total
Revenue from contracts with customers	$1,251,338	$1,126,975	$ 165,296	$ 15,721	$2,559,330

2024	Ball screw	Linear guide	Ball spline	Others	Total
Revenue from contracts with customers	$1,463,095	$ 702,155	$ 114,420	$ 14,611	$2,294,281

B. Contract liabilities

The contractual liabilities related to the contractual revenue recognized by the Group are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities - receipts in advance	$ 5,106	$ 3,118	$ 3,681

Revenue recognized in current period of contract liabilities at the beginning of the period

	2025	2024
Beginning balance of contract liabilities recognized as revenue in the current period		
Receipts in advance	$ 2,386	$ 2,912

(22) Interest income

	2025	2024
Interest on bank deposits	$ 7,462	$ 2,886
Interest income with repurchase of bonds	1,690	978
Interest income from financial assets measured at amortized cost	240	417
Other interest income	86	84
	$ 9,478	$ 4,365

(23) Other income

	2025	2024
Grant income	$ 11,116	$ 25,082
Rental income	2,111	403
Other income - others	9,642	18,096
	$ 22,869	$ 43,581

(24) Other gains and losses

	2025	2024
Foreign exchange gain	$ 3,311	$ 97,228
Gains (losses) from disposal of property, plant and equipment	(596)	130
Gains from the disposal of non-current assets held for sale	363,530	-
Net gain (loss) on financial assets measured at fair value through profit or loss	(475)	475
Impairment loss on property, plant and equipment	-	(2,787)
Losses from lease modification	(17)	-
Losses from disasters	(572)	-
Other losses	(1,162)	(322)
	$ 364,019	$ 94,724

(25) Finance costs

	2025	2024
Bank borrowing interest expense	$ 44,602	$ 45,171
Interest expense on lease liabilities	12,858	12,693
Corporate bond interest expense	1,863	11,924
	$ 59,323	$ 69,788

(26) Additional information on the nature of the expense

	2025	2024
Employee benefit expense	$ 865,880	$ 607,176
Depreciation expenses of property, plant and equipment	202,770	210,335
Right-of-use assets depreciation expense	43,762	49,255
Amortization expense of intangible assets	26,230	26,751
Operating lease rental expense	4,288	5,536
Expected credit impairment gains (losses)	(20,576)	24,260
	$ 1,122,354	$ 923,313

(27) Employee benefit expense

	2025	2024
Salary expense	$ 726,750	$ 505,983
Labor and national health insurance expense	79,923	58,150
Pension expense	23,735	20,204
Other personnel expense	35,472	22,839
	$ 865,880	$ 607,176

A. If the Company makes a profit in the year, it shall allocate at least 1% as remuneration to employees, which shall be distributed in shares or cash by resolution of the board of directors. The recipients of the payment may include employees of the controlling or subsidiaries The remuneration to directors no more than 5% of the amount of the above-mentioned profit, shall be set aside by resolution of the board of directors. Among the aforementioned employee compensation, no less than 5% should be allocated as compensation for entry-level employees. The proposal for the distribution of remuneration to employees and directors shall be submitted to the shareholders' meeting for reporting. However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses, then allocate funds for the employee bonuses and director remuneration proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.

B. There was a loss in 2025 and 2024, so no employees' remuneration and directors' remuneration were estimated and recognized.

C. Information on employees' and directors' remuneration approved by the Company's board of directors is available on the MOPS.

(28) Income tax

A. Components of income tax expense:

(A) Components of income tax expense:

	2025	2024
Current income tax:		
Income tax arising from current income	$ 15,580	$ 8,256
House and land transactions income tax for the current period	36,740	-
Land value increment tax incurred in the current period	30,391	-
Underestimated (overestimated) income tax in previous years	56	(3,197)
Total income tax for the current period	82,767	5,059
Deferred income tax:		
The origin and reversal of the temporary difference	28,200	(82,239)
Total deferred income tax	28,200	(82,239)
Income tax expense (benefit)	$ 110,967	($ 77,180)

(B) Amount of income tax related to other comprehensive income:

	2025	2024
Difference on translation of foreign operations	($ 3,397)	($ 26)

B. Reconciliation between income tax benefit and accounting profit

	2025	2024
Income tax calculated based on net income (loss) before tax at the statutory tax rate	$ 58,602	($ 177,264)
Effect of items not recognized in accordance with statutory regulations	1,778	1,980
Changes in the feasibility evaluation of deferred tax assets and liabilities	24,925	109,171
Effect of income tax of adjustments required by tax laws	(34,895)	-
Tax losses not recognized as deferred tax assets	27,753	-
Reversal of unrecognized temporary differences in deferred income tax assets	-	(920)
Income exempted from taxation according to the tax law	(34,408)	(6,976)
Underestimated (overestimated) income tax in previous years	56	(3,197)
Effect of minimum tax of income tax	25	26
House and land transactions income tax	36,740	-
Land value increment tax	30,391	-
Income tax (expense) benefit	$ 110,967	($ 77,180)

C. The amounts of deferred tax assets or liabilities arising from temporary differences or tax loss are as follows:

	2025			
	January 1	Recognized in (losses) profit	Recognized in other comprehensive net income	December 31
Deferred income tax assets:				
- Temporary differences:				
Unrealized expenses	$ 2,195	$ 1,398	$ -	$ 3,593
Unrealized gross profit on sales	21,661	(2,439)	-	19,222
Deferred government grant benefits	1,084	(400)	-	684
Effect of foreign investment losses	7,091	2,710	-	9,801
- Tax loss	147,645	(21,380)	-	126,265
Sub-total	$ 179,676	($ 20,111)	$ -	$ 159,565
- Deferred income tax liabilities:				
Unrealized exchange gains	($ 8,606)	($ 8,089)	$ -	($ 16,695)
Exchange differences on translating foreign operations	(738)	-	(3,397)	(4,135)

	2025			
	January 1	Recognized in (losses) profit	Recognized in other comprehensive net income	December 31
Sub-total	(9,344)	(8,089)	(3,397)	(20,830)
Total	$ 170,332	($ 28,200)	($ 3,397)	$ 138,735

	2024			
	January 1	Recognized in (losses) profit	Recognized in other comprehensive net income	December 31
Deferred income tax assets:				
- Temporary differences:				
Unrealized expenses	$ 3,146	($ 951)	$ -	$ 2,195
Unrealized gross profit on sales	42,861	(21,200)	-	21,661
Unrealized exchange losses	5,718	(5,718)	-	-
Deferred government grant benefits		1,084	-	1,084
Effect of foreign investment losses	37,106	(30,015)	-	7,091
- Tax loss	-	147,645	-	147,645
Sub-total	$ 88,831	$ 90,845	$ -	$ 179,676
- Deferred income tax liabilities:				
Unrealized exchange gains	$ -	($ 8,606)	$ -	($ 8,606)
Exchange differences on translating foreign operations	(712)	-	(26)	(738)
Sub-total	(712)	(8,606)	(26)	(9,344)
Total	$ 88,119	$ 82,239	($ 26)	$ 170,332

D. The validity periods of the Company's unused tax losses and the related amounts of unrecognized deferred income tax assets are as follows:

	December 31, 2025			
Year	Amount reported/approved	Balance to be credited	Amount of unrecognized deferred income tax assets	Last valid year
2024	$ 259,144	$ 259,144	$ -	2034

	December 31, 2024			
Year	Amount reported/approved	Balance to be credited	Amount of unrecognized deferred income tax assets	Last valid year
2024	$ 361,394	$ 361,394	$ -	2034

E. Deductible temporary differences not recognized as deferred income tax assets:

	December 31, 2025	December 31, 2024
Deductible temporary differences	$ 731,282	$ 967,943

F. The profit-seeking enterprise income tax of the Company and its subsidiary TBI Motion has been approved by the tax authorities up to 2023.

(29) Losses per share

	2025		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Losses per share (NTD)
Basic loss per share			
Net loss for the period attributable to the common shareholders of the parent company	($ 74,067)	112,720	($ 0.66)
Diluted loss per share			
Net loss for the period attributable to the common shareholders of the parent company	($ 74,067)	112,720	
Net loss attributable to the common shareholders of the parent company for the period plus the effect of potential common shares	($ 74,067)	112,720	($ 0.66)

	2024		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Losses per share (NTD)
Basic loss per share			
Net loss for the period attributable to the common shareholders of the parent company	($ 486,652)	97,877	($ 4.97)
Diluted loss per share			
Net loss for the period attributable to the common shareholders of the parent company	(486,652)	97,877	
Net loss attributable to the common shareholders of the parent company for the period plus the effect of potential common shares	($ 486,652)	97,877	($ 4.97)

(30) Supplementary information on cash flow

A. Investment activities with only partial cash payment:

	2025	2024
Additions of property, plant and equipment	$ 116,064	$ 84,286
Add: Equipment payable at the beginning of the period	10,440	4,200
Less: Equipment payable at the end of the period	(11,605)	(10,440)
Cash paid in current period	$ 114,899	$ 78,046

B. Financing activities with no cash flow effects:

	2025	2024
Conversion of convertible bonds into share capital	$ 230,173	$ 512,369

(31) Changes in liabilities from financing activities

	January 1, 2025	Changes in cash flow	Non-cash changes	December 31, 2025
Short-term borrowings	$ 450,000	$ 170,851	$ -	$ 620,851
Long-term borrowings	1,828,355	(4,549)	-	1,823,806
Corporate bonds payable	237,410	(9,100)	(228,310)	-
Lease liabilities	767,566	(96,341)	71,052	742,277
Guarantee deposits received	200	-	-	200
Total liabilities from financing activities	$ 3,283,531	$ 60,861	($ 157,258)	$ 3,187,134

	January 1, 2024	Changes in cash flow	Non-cash changes	December 31, 2024
Short-term borrowings	$ 670,000	($ 220,000)	$ -	$ 450,000
Long-term borrowings	1,982,623	(154,268)	-	1,828,355
Corporate bonds payable	737,855	-	(500,445)	237,410
Lease liabilities	656,227	(42,817)	154,156	767,566
Guarantee deposits received	4,526	(4,326)	-	200
Total liabilities from financing activities	$ 4,051,231	($ 421,411)	($ 346,289)	$ 3,283,531

7. Related party transactions

(1) Name of related parties and relationship

Name of related party	Relationship with the Group
Ching-Kun Lee	Chairman of the Group
Ching-Sheng Lee	General manager of the Group

(2) Remuneration of key management personnel

	2025		2024	
Short-term employee benefits	$	15,805	$	9,800
Post-employment benefits		136		108
Total	$	15,941	$	9,908

(3) Others

The Group borrowed from financial institutions on December 31, 2025 and 2024, with Ching-Kun Lee and Ching-Sheng Lee serving as the joint guarantors. The financing amounts were a joint guarantee for $430,176, and $387,049, respectively, and Ching-Kun Lee's sole guarantee for $1,643,630 and $1,891,306, respectively.

8. Pledged assets

The details of the guarantees provided for the Group's assets are as follows:

	Book value				
Assets	December 31, 2025		December 31, 2024		Purpose of guarantee
Financial assets measured at amortized cost					
Pledged time deposit	$	30,000	$	30,000	Note 1
Property, plant and equipment					
Land		894,994		894,994	Note 2
Buildings		888,716		915,655	Note 2
Non-current assets held for sale		-		230,564	Note 2
Notes receivable		370,851		-	Discounted notes
	$	2,184,561	$	2,071,213	

Note 1: Performance bond for the Shulin Plant.
Note 2: Long-term borrowings.

9. Significant contingent liabilities and unrecognized contractual commitments

(1) Contingencies

TBI Motion Technology (Suzhou) Co., Ltd. received a lawsuit regarding a trademark infringement dispute on February 11, 2025. The company has currently engaged Beijing Yingke (Suzhou) Law Firm to handle the matter and protect the company's rights. The Haishu District People's Court of Ningbo City ruled against the subsidiary on October 15, 2025. The subsidiary filed an appeal in accordance with the law on October 31, 2025. The Company assesses that the first-instance judgment is not legally enforceable against the subsidiary at this time. For related information, please refer to the "Material Information Announcement" section on the Taiwan Stock Exchange's MOPS. As of March 9, 2026, the Company believes that the second-instance judgment has not been finalized, and the counterparty has not filed a claim for damages. Therefore, the Company assesses that there will be no material impact on its financial condition or operations, and accordingly, no provision for liabilities related to this lawsuit has been recognized in these financial statements.

(2) Commitments

A. Capital expenditures signed but not yet incurred

	December 31, 2025	December 31, 2024
Property, plant and equipment	$ 26,707	$ 19,792

B. The Group has opened an unused letter of credit for the purchase of materials

	December 31, 2025	December 31, 2024
Letter of credit issued but not used	$ -	$ 6,122

10. Losses from major disasters

None.

11. Material events after the reporting period

(1) On March 9, 2026, the Board of Directors of the Group approved by resolution to offset 2025 losses by appropriating $51,373 from the legal reserve and $22,694 from the capital reserve. After the offset, the remaining loss was $0.

(2) On February 12, 2026, TBI Motion Technology (Jiangsu) Co., Ltd. entered into a contract with Suzhou Zhongshe Construction Group Co., Ltd. for the construction of factory buildings and water and electricity engineering on leased land, with a total contract value of RMB 100,880 thousand.

12. Others

(1) Capital management

The goal of the Group's capital management is to ensure the continued operation of the Group, maintain the optimal capital structure to reduce the cost of capital, and provide returns for shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce liabilities. The Group uses the debt capital ratio to monitor its capital, which is calculated by dividing net debt by total capital.

The Group's strategy in 2025 remains the same as that in 2024. The Group's debt-to-capital ratio as of December 31, 2025 and 2024 was as follows:

	December 31, 2025	December 31, 2024
Total borrowings	$ 2,444,657	$ 2,515,765
Less: Cash and cash equivalents	(677,168)	(732,570)
Net debt	1,767,489	1,783,195
Total equity	3,449,278	3,279,581
Total capital	$ 5,216,767	$ 5,062,776
Debt-to-capital ratio	33.88%	35.22%

(2) Financial instruments

A. Types of financial instruments

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ -	$ 475
Financial assets measured at fair value through other comprehensive income		
Designated equity instrument investments selected	$ 88,918	$ 88,918
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 677,168	$ 732,570
Financial assets measured at amortized cost	30,000	30,000
Notes receivable	603,451	399,639
Accounts receivable	936,998	660,141
Other receivables	14,093	6,470
Refundable deposits	13,897	12,815
	$ 2,364,525	$ 1,931,028

	December 31, 2025	December 31, 2024
Financial liabilities		
Financial liabilities measured at amortized cost		
Short-term borrowings	$ 620,851	$ 450,000
Notes payable	32,192	35,457
Accounts payable	500,926	187,266
Other payables	294,209	239,331
Long-term borrowings (due within one year or one operating cycle)	1,823,806	1,828,355
Corporate bonds payable (due within one year or one operating cycle)	-	237,410
Guarantee deposits received	200	200
	$ 3,272,184	$ 2,978,019
Lease liabilities	$ 742,277	$ 767,566

B. Risk management policy

Risk management is carried out by the Group's Finance Department in accordance with the policies approved by the Board of Directors. The Finance Department of the Group works closely with various operating units within the Group to identify, evaluate and avoid financial risks. The Board of Directors has written principles for overall risk management, and also provides written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus working capital.

C. Nature and extent of significant financial risk

(A) Market risk

Exchange rate risk

a. The Group operates in a multinational company, so it is subject to the exchange rate risk arising from transactions with the functional currency of the Company and its subsidiaries, which are mainly USD and CNY. The relevant exchange rate risk comes from future commercial transactions and recognized assets and liabilities.

b. The Group's business involves some non-functional currencies, therefore it is subject to exchange rate fluctuations. The assets and liabilities denominated in foreign currencies with significant exchange rate fluctuations are as follows:

	December 31, 2025		
(Foreign currency: Functional currency)	Foreign currency (NTD thousand)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD: NTD	$ 3,833	31.4190	$ 120,429
JPY: NTD	243,900	0.2007	48,951
EUR: NTD	548	36.8740	20,207
CNY: NTD	1,613	4.4961	7,252
Financial liabilities			
Monetary items			
JPY: NTD	57,149	0.2007	11,470

	December 31, 2024		
(Foreign currency: Functional currency)	Foreign currency (NTD thousand)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD: NTD	$ 3,538	32.7930	$ 116,022
JPY: NTD	152,224	0.2099	31,952
EUR: NTD	985	34.1520	33,640
CNY: NTD	21,137	4.4775	94,641
Financial liabilities			
Monetary items			
JPY: NTD	18	32.793	590
USD: NTD	2,827	0.2099	593

c. The aggregate amounts of (realized and unrealized) exchange gains of the Group’s monetary items recognized in 2025 and 2024 due to the significant impact of exchange rate fluctuations were $3,311 and $97,228, respectively.

d. The risk analysis of the Group's foreign currency market due to significant exchange rate fluctuations is as follows:

	2025		
	Sensitivity analysis		
(Foreign currency: Functional currency)	Range of change	Effect on gains (losses)	Other comprehensive income (loss) affected
Financial assets			
Monetary items			
USD: NTD	1%	$ 963	$ -
JPY: NTD	1%	392	-
EUR: NTD	1%	162	-
CNY: NTD	1%	58	-
Financial liabilities			
Monetary items			
JPY: NTD	1%	(92)	-

	2024		
	Sensitivity analysis		
(Foreign currency: Functional currency)	Range of change	Effect on gains (losses)	Other comprehensive income (loss) affected
Financial assets			
Monetary items			
USD: NTD	1%	$ 928	$ -
JPY: NTD	1%	256	-
EUR: NTD	1%	269	-
CNY: NTD	1%	757	-
Financial liabilities			
Monetary items			
USD: NTD	1%	(5)	-
JPY: NTD	1%	(5)	-

Price risk

a. The Group's equity instruments exposed to price risk are financial assets held at fair value through other comprehensive income. To manage the price risk of equity instrument investment, the Group will diversify its investment portfolio, and the diversification method is based on the limit set by the Group.

b. The Group mainly invests in equity instruments issued by domestic companies, and the prices of these equity instruments will be affected by the uncertainty of the future value of the investment target. If the price of these equity instruments rose or fell by 1%, and all other factors remain unchanged, the profit or loss arising from the equity instruments measured at fair value through other comprehensive income in 2025 and 2024, would increase or decrease by $711, respectively.

Cash flow and fair value interest rate risk

a. The Group's interest rate risk mainly comes from the long-term and short-term borrowings issued at floating interest rates, which expose the Group to cash flow interest rate risk. In 2025 and 2024, the Group's borrowings with floating interest rates were mainly denominated in NTD.

b. When the borrowing rate increases or decreases by 1%, and all other factors remain unchanged, the net income after tax in 2025 and 2024 will decrease or increase by $19,557 and $18,227, respectively, due to changes.

(B) Credit risk

a. The Group's credit risk refers to the risk of financial loss due to the failure of customers or counterparties of financial instrument transactions to fulfill contractual obligations, mainly from the inability of counterparties to settle accounts receivable in accordance with the collection terms.

b. The Group establishes credit risk management from the group perspective. For banks and financial institutions, only institutions with good reputation and no recent major default records can be accepted as trading counterparts. According to the internal credit policy, for each new customer within the Group, management and credit risk analysis must be conducted before the establishment of payment and delivery terms and conditions. The internal risk control evaluates customers' credit quality by considering their financial status, past experience and other factors. The limits of individual risks are determined by the Board of Directors based on internal or external ratings, and the use of credit lines is regularly monitored.

c. According to the Group's credit risk management procedures, a default is deemed to have occurred when the contract amount is overdue for more than 180 days according to the agreed payment terms.

d. The Group classifies customers' accounts receivable according to geographical area, customer rating and trade credit risk characteristics, and estimates expected credit losses based on the allowance matrix and loss rate method in a simplified manner.

e. The indicators used by the Group to determine that the debt instrument investment is subject to credit impairment are as follows:

(a) The issuer is in major financial difficulty, or the possibility of bankruptcy or other financial reorganization greatly increases;

(b) The issuer disappears from the active market for the financial assets due to financial difficulties;

(c) The issuer delays or fails to repay the interest or principal;

(d) Unfavorable changes in national or regional economic conditions that result in the issuer's default.

f. The Group will continue to pursue legal proceedings for the default of financial assets to preserve the rights of the creditor's right. After the recourse procedures, the amount of financial assets for which it is impossible to reasonably expect to be recoverable is written off.

g. The Group takes into account the consideration of future forward-looking and adjusts the loss rate based on historical and current information in a specific period to estimate the loss allowance for accounts receivable and non-performing loans. The provision matrix for December 31, 2025 and 2024, and loss ratio method are as follows:

December 31, 2025	Expected loss rate	Accounts receivable	Non-performing loans	Total book value	Loss allowance
Not past due	0.03%~2.79%	$ 531,056	$ -	$ 531,056	($ 14,769)
Within 30 days	0.03%~3.03%	160,298	-	160,298	(691)
31 to 90 days	0.03%~21.13%	164,474	-	164,474	(5,269)
91 to 180 days	0.03%~54.67%	169,725	-	169,725	(67,826)
More than 181 days	100%	-	-	-	-
Individual assessment	100%	-	74,510	74,510	(74,510)
Total				$ 1,100,063	($ 163,065)

December 31, 2024	Expected loss rate	Accounts receivable	Non-performing loans	Total book value	Loss allowance
Not past due	0.03%~2.84%	$ 359,938	$ -	$ 359,938	($ 8,362)
Within 30 days	0.03%~3.38%	138,754	-	138,754	(4,171)
31 to 90 days	0.03%~22.42%	114,941	-	114,941	(15,466)
91 to 180 days	32.49%~70.82%	136,678	-	136,678	(62,171)
More than 181 days	100%	19,262	-	19,262	(19,262)
Individual assessment	100%	-	74,510	74,510	(74,510)
Total				$ 844,083	($ 183,942)

h. The table of the changes in the Group’s allowance for losses on account receivable with a simplified approach is as follows:

	2025		
	Accounts receivable	Non-performing loans	Total
January 1	$ 109,432	$ 74,510	$ 183,942
Reversal of impairment loss	(20,576)	-	(20,576)
Exchange rate effect	(301)	-	(301)
December 31	$ 88,555	$ 74,510	$ 163,065

	2024		
	Accounts receivable	Non-performing loans	Total
January 1	$ 83,081	$ 74,510	$ 157,591
Provision for impairment loss	24,260	-	24,260
Amounts written off due to irrecoverability	(521)	-	(521)
Exchange rate effect	2,612	-	2,612
December 31	$ 109,432	$ 74,510	$ 183,942

(C) Liquidity risk

a. Cash flow forecasting is carried out by each operating entity within the Group and compiled by the Group's Finance Department. The Finance Department of the Group monitors the forecast of the Group's working capital needs to ensure that it has sufficient funds to meet operating needs, and maintains a sufficient undrawn commitment limit at all times to prevent the Group from breaching the relevant borrowing limits or terms. The forecast considers the Group's debt financing plan, debt terms compliance, financial ratio targets in line with the internal balance sheet, etc.

b. The surplus cash held by each operating entity will be transferred back to the Group's Finance Department when it exceeds the needs for working capital management. The Group's Finance Department, on the other hand, invests the remaining funds in interest-bearing demand deposits and time deposits with appropriate maturities or sufficient liquidity to provide sufficient levels in response to the above forecasts. As of December 31, 2025 and 2024, the Group held cash and cash equivalents of $677,168, and $732,570, respectively. Undrawn borrowing facilities were $371,546, and $579,804, respectively, which are expected to generate cash flows to manage liquidity risk.

c. The Group's derivative financial liabilities and non-derivative financial liabilities are equivalent to the amounts listed in the consolidated balance sheet based on the remainder of the period from the balance sheet date to the contractual maturity date, except for those listed in the following table, which are all due within one year. The contractual cash flow disclosed is the undiscounted amount as follows:

Non-derivative financial liabilities:

December 31, 2025	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Lease liabilities	$ 46,687	$ 31,673	$ 82,069	$ 810,015	$ 970,444
Long-term borrowings (including those due within one year)	380,177	432,283	664,181	524,103	2,000,744

Non-derivative financial liabilities:

December 31, 2024	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Lease liabilities	$ 49,215	$ 40,250	$ 81,653	$ 836,930	$1,008,048
Long-term borrowings (including those due within one year)	351,755	339,836	628,949	705,542	2,026,082

(3) Fair value information

A. The levels of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: The quoted price (unadjusted) is available to the enterprise in an active market for the same assets or liabilities on the measurement date. An active market refers to a market with sufficient frequency and volume of transactions to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes the fair value of the embedded call options in the Group's convertible corporate bonds payable.

Level 3: Unobservable inputs for the asset or liability. All the equity instruments invested by the Group for which there is no active market belong to this category.

B. The Group's financial instruments not measured at fair value include cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables, short-term and long-term borrowings, notes and accounts payable and other payables, for which their book values, are a reasonable approximation to the fair value.

C. The financial and non-financial instruments measured at fair value are classified according to the nature, characteristics, risks and fair value levels of the assets and liabilities. Relevant information is as follows:

(A) The Group's assets and liabilities are classified according to the nature. The relevant information is as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Fair value on a recurring basis				
Financial assets measured at fair value through other comprehensive income				
Equity securities	-	-	88,918	88,918
Total	$ -	$ -	$ 88,918	$ 88,918

December 31, 2024	Level 1	Level 2	Level 3	Total

Assets				
Fair value on a recurring basis				
Financial assets measured at fair value through profit or loss - current				
Derivatives	$ -	$ 475	$ -	$ 475
Financial assets measured at fair value through other comprehensive income				
Equity securities	-	-	88,918	88,918
Total	$ -	$ 475	$ 88,918	$ 89,393

(B) The methods and assumptions used by the Group to measure fair value are as follows:

When evaluating non-standardized and less complex financial instruments, such as debt instruments without an active market, interest rate swap contracts, foreign exchange contracts and options, the Group uses the evaluation techniques widely used by market participants. The parameters used by the valuation model of such financial instruments are usually market observable information.

D. There was no transfer between Levels 1 and 2 in 2025 and 2024.

E. The table below shows the changes in Level 3 fair values:

	2025	2024
	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through other comprehensive income
January 1	$ 88,918	$ 94,594
Gains or losses recognized in other comprehensive income		
Recorded under unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	(5,676)
December 31	$ 88,918	$ 88,918

F. There was no transfer into or out of Level 3 in 2025 and 2024.

G. In the Group's valuation process for fair values classified as at Level 3, the finance department is responsible for independent fair value verification for financial instruments, uses data from independent sources to make the valuation results close to the market level, and confirms that the source of the data is independent, reliable, consistent with other resources, and representative of the executable price, while regularly calibrating the valuation model, updating the inputs and data required by the valuation model, and making any other necessary fair value adjustments to ensure that the valuation results are reasonable.

H. The quantitative information of the significant unobservable input value of the evaluation model used in the Level 3 fair value measurement and the sensitivity analysis of the significant unobservable input value changes are as follows:

	Fair value on December 31, 2025	Valuation technique	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed stocks	$ 88,918	Comparable Public Company Act	Discount for lack of market liquidity	25.62%	The higher the lack of market liquidity discount, the lower the fair value.

	Fair value on December 31, 2024	Valuation technique	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed stocks	$ 88,918	Comparable Public Company Act	Discount for lack of market liquidity	21.89%	The higher the lack of market liquidity discount, the lower the fair value.

I. The Group has selected a valuation model and valuation parameters after prudent evaluation, but different valuation results may occur due to the use of different valuation models or valuation parameters. For financial assets and financial liabilities classified as Level 3, if the valuation parameters change, the impact on the current profit and loss or other comprehensive income is as follows:

			December 31, 2025			
			Recognized in (losses) profit		Recognized in other comprehensive income (loss)	
	Input value	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ -	$ -	$ 889	($ 889)

			December 31, 2024			
			Recognized in (losses) profit		Recognized in other comprehensive income (loss)	
	Input value	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ -	$ -	$ 889	($ 889)

13. Disclosures in notes

(1) Information on significant transactions

A. Loaning of funds to others: Please refer to Table 1.

B. Provisions of endorsements and guarantees to others: None.

C. Holding of significant securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture): Please refer to Table 2.

D. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to Table 3.

E. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 4.

F. The business relationship between the parent company and subsidiaries, and the circumstances of any significant transactions between them: Please refer to Table 5.

(2) Information on investees

The name and location of the investee company and other relevant information (excluding mainland China investee companies): Please refer to Table 6.

(3) Information on investments in mainland China

A. Basic information: Please refer to Table 7.

B. Significant transactions with investee companies in mainland China directly or indirectly through enterprises in a third region: Please refer to Table 8.

14. Information of operating segments

(1) General information

The Group only operates in a single industry, and the Group's operating decision-maker has identified the Group as a reportable department based on the overall performance evaluation and resource allocation.

(2) Measurement of segment information

The Group's operating decision-maker evaluates the performance of operating segments based on the after-tax net profit. The measurement indicators are based on the revenue achievement rate, gross profit achievement rate, and net operating profit achievement rate. The status of excessive and short expenses is reviewed on a monthly basis to assess the rationality of resource consumption.

(3) Information on segment profits and losses, assets and liabilities

The information of the segments to be provided to the chief operating decision-maker is as follows:

2025	Single operating department	Reconciliation and write-off	Total
External revenue	$ 2,559,330	$ -	$ 2,559,330
Internal department revenue	1,920,794	(1,920,794)	-
Segment revenue	$ 4,480,124	($ 1,920,794)	$ 2,559,330
Segment profit or loss	($ 74,067)	$ -	($ 74,067)
Segment income, including:			
Depreciation and amortization	$ 275,430	($ 2,668)	$ 272,762
Interest income	10,003	(525)	9,478
Interest expenses	59,848	(525)	59,323
Income tax expense	110,967	-	110,967
Segment assets	$ 9,997,458	($ 2,462,322)	$ 7,535,136
Segment liabilities	$ 6,145,779	($ 2,059,921)	$ 4,085,858

2024	Single operating department	Reconciliation and write-off	Total
External revenue	$ 2,294,281	$ -	$ 2,294,281
Internal department revenue	1,140,167	(1,140,167)	-
Segment revenue	$ 3,434,448	($ 1,140,167)	$ 2,294,281
Segment profit or loss	($ 486,652)	$ -	($ 486,652)
Segment income, including:			
Depreciation and amortization	$ 286,616	($ 275)	$ 286,341
Interest income	4,365	-	4,365
Interest expenses	69,788	-	69,788
Income tax expense	77,180	-	77,180
Segment assets	$ 9,459,789	($ 2,356,715)	$ 7,103,074
Segment liabilities	$ 6,327,606	($ 2,504,113)	$ 3,823,493

(4) Reconciliation of segment profit and loss

A. The Group has only a single reportable segment that provides external revenue and profit information to the chief operating decision-maker. The amount in the consolidated statements of comprehensive income is measured in a consistent manner. The net profit of the Group's reportable segment is net loss after tax, no adjustment is required.

B. The Group has only a single reportable segment, the total assets and total liabilities provided to the chief operating decision-maker and the assets and liabilities of the consolidated balance sheet shall be measured in a consistent manner, and the assets and liabilities of the reportable segment are equal to the total assets and total liabilities, no adjustment is required.

(5) Information on product and service categories

Please refer to Note 6 (21) for details.

(6) Information by region

Information of the Group in 2025 and 2024 by region is as follows:

	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 222,565	$ 3,182,912	$ 138,084	$ 3,338,351
Asia	2,195,126	176,666	2,026,922	71,049
Europe	102,394	-	89,941	-
Others	39,245	-	39,334	-
Total	$ 2,559,330	$ 3,359,578	$ 2,294,281	$ 3,409,400

(7) Information on important customers

Information on important customers of the Group in 2025 and 2024 is as follows:

	2025			2024	
	Revenue	Percentage (%)		Revenue	Percentage (%)
A	$ 476,813	25%	A	$ 648,147	28%
B	446,033	19%	B	323,122	14%
D	431,464	17%	C	228,676	10%

TBI Motion Technology Co., Ltd.

Loaning of funds to others

December 31, 2025

Table 1

Unit: NT$ thousand (unless otherwise specified)

No. (Note 1)	Lender	Borrower	Transaction item	Related party status	Maximum balance during the period	Ending balance	Amount drawn	Interest rate range	Nature of loans	Amount of business transaction	Reason for short-term funding necessity	Amount of loss allowance	Collateral		Loan Limit for individual entity	Total Limit on loans	Note
													Name	Value			
0	TBI Motion Technology Co., Ltd.	TBI Motion Technology (Jiangsu) Co., Ltd.	Other receivables - loan to related party	Yes	$ 62,945	$ 62,945	$ 53,953	3.264%	Necessity for short-term funding	$ -	Working capital	$ -	-	$ -	$ 344,928	$ 1,379,711	Note 2

Note 1: Fill in 0 for the issuer in the No. column.

Note 2: The total loan limit for TBI Motion Technology Co., Ltd. shall not exceed 40 percent of the net worth of the Group’s most recent financial statements (December 31, 2025); the loan limit for a single enterprise shall not exceed ten percent of the net worth of the Group’s most recent financial statements (December 31, 2025).

TBI Motion Technology Co., Ltd.

Significant marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates, and joint ventures)

December 31, 2025

Table 2

Unit: NT$ thousand (unless otherwise specified)

Holding company	Type and name of marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	Presentation account	End of period				Note
				Shares	Carrying amount (Note 3)	Percentage of shareholdings (%)	Fair value	
TBI Motion Technology Co., Ltd.	Chuan Da Technology Co., Ltd.	None	Financial assets measured at fair value through other comprehensive income - non-current	3,860,000	$ 88,918	19.30	$ 88,918	Note 4

Note 1: Marketable securities referred to in this table are stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9 "Financial Instruments."

Note 2: If the securities issuer is not a related party, this column can be omitted.

Note 3: If the item is measured at fair value, please enter the book balance after adjustment for fair value valuation and deduction of accumulated impairment in the column of book value. For the item not measured at fair value, please specify the original acquisition cost or cost after amortization less carrying amount balance of accumulated impairment.

Note 4: The securities are not provided as collateral, pledged for loans, or other restricted uses as agreed.

Note 5: This table lists securities that the Company deems material based on the materiality principle.

TBI Motion Technology Co., Ltd.

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

For the Year Ended December 31, 2025

Table 3

Unit: NT$ thousand (unless otherwise specified)

			Transaction details				Circumstances and reasons for the difference between the transaction conditions and general transactions		Notes/accounts receivable (payable)		
Purchase (sale) company	Counterparty	Relationship	Purchases/ sales	Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
TBI Motion Technology Co., Ltd.	TBI Motion Technology (Suzhou) Co., Ltd.	Subsidiary	Sales	($ 1,376,198)	(71.56%)	Within 120 days	Based on general sales and purchase prices and conditions	There is no significant difference in terms of payment from non-related parties	$ 1,773,856	88.55%	
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Subsidiary	Sales	(502,128)	(26.11%)	Within 120 days	Based on general sales and purchase prices and conditions	There is no significant difference in terms of payment from non-related parties	148,726	7.39%	
TBI Motion Technology (Suzhou) Co., Ltd.	TBI Motion Technology (Jiangsu) Co., Ltd.	Brothers	Sales	(653,791)	(33.96%)	Within 120 days	Based on general sales and purchase prices and conditions	There is no significant difference in terms of payment from non-related parties	636,222	49.28%	

Note: Regarding the calculation of the ratio of transaction amounts to individual revenue or assets, for balance sheet items, it is calculated as the proportion of the ending balance to the individual's total notes and accounts receivable (payable); for income statement items, it is calculated as the cumulative amount as a proportion of the individual's total purchases (sales).

TBI Motion Technology Co., Ltd.

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2025

Table 4

Unit: NT$ thousand (unless otherwise specified)

Company with receivables booked	Counterparty	Relationship	Balance of receivables from related parties	Turnover rate (times)	Overdue receivables from related parties		Subsequent recovery amount of receivables from related parties	Amount of loss allowance
					Amount	Handling method		
TBI Motion Technology Co., Ltd.	TBI Motion Technology (Suzhou) Co., Ltd.	Subsidiary	$ 1,773,856	0.73	$ 743,155	Active collection	$ 177,217	$ -
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Subsidiary	148,726	3.63	-	-	38,816	-
TBI Motion Technology (Suzhou) Co., Ltd.	TBI Motion Technology (Jiangsu) Co., Ltd.	Brothers	636,222	3.08	-	-	-	-

TBI Motion Technology Co., Ltd.

The business relationship between the parent company and subsidiaries, and the circumstances of any significant transactions between them

For the Year Ended December 31, 2025

Table 5

Unit: NT$ thousand (unless otherwise specified)

				Transaction details			
No. (Note 1)	Counterparty	Trading counterpart	Relationship with the counterparty (Note 2)	General ledger account	Amount	Transaction terms	As a percentage of the total consolidated revenue or total assets (Note 3)
0	TBI Motion Technology Co., Ltd.	TBI Motion Technology (Suzhou) Co., Ltd.	1	Sales revenue	$ 1,376,198	Based on general sales price and terms and conditions	53.77%
0	TBI Motion Technology Co., Ltd.	TBI Motion Technology (Suzhou) Co., Ltd.	1	Accounts receivable	1,773,856	“	23.60%
0	TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	1	Sales revenue	502,128	“	19.62%
0	TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	1	Accounts receivable	148,726	“	1.98%
1	TBI Motion Technology (Suzhou) Co., Ltd.	TBI Motion Technology (Jiangsu) Co., Ltd.	3	Sales revenue	653,791	“	25.55%
1	TBI Motion Technology (Suzhou) Co., Ltd.	TBI Motion Technology (Jiangsu) Co., Ltd.	3	Accounts receivable	636,222	“	8.46%

Note 1: Information on business transactions between the parent company and its subsidiaries should be indicated in the numbered column. The number should be filled in as follows:
(1) Fill in "0" for parent company.
(2) Subsidiaries are numbered sequentially starting from 1 according to the company type.

Note 2: There are three types of relationship with the transaction party, and the type is sufficient (if it is the same transaction between the parent company and subsidiaries or between subsidiaries, it is not necessary to repeat the disclosure. For example, as for a transaction between the parent company and a subsidiary of its, if the parent company has disclosed it, the subsidiary does not need to disclose it again; as for a transaction between its subsidiaries, if one subsidiary has disclosed it, the other one does not need to disclose it again):
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 3: The ratio of the transaction amount to the total consolidated revenue or total assets is calculated. In the case of assets and liabilities, the calculation is based on the closing balance of the consolidated total assets; in the case of profit or loss, the calculation is based on the accumulated amount in the period to the consolidated total revenue calculation.

Note 4: The Company may decide whether the significant transactions in this table need to be listed based on the principle of materiality.

TBI Motion Technology Co., Ltd.

The name and location of the investee company and other relevant information (excluding mainland China investee companies)

For the Year Ended December 31, 2025

Table 6

Unit: NT$ thousand (unless otherwise specified)

Name of investor	Name of investee (Note 1)	Location	Main business activities	Initial investment amount		Held at end of period			Investee profit or loss for the period	Investment gains and losses recognized in the current period	Note
				End of current period	End of last year	Shares	Ratio	Carrying amount			
TBI Motion Technology Co., Ltd.	TBI Motion Technology (USA) LLC.	U.S.	Sale of precision transmission components for the automated industry	$ 63,431	$ 63,431	20,000	100%	$ 12,630	($ 13,551)	($ 13,551)	Note 2
TBI Motion Technology Co., Ltd.	TBI Motion Technology (HK) LTD.	Hong Kong	Holding company for overseas enterprises	553,047	170,630	183,800	100%	235,467	190,703	190,703	Note 3
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Taiwan	Sale of precision transmission components for the automated industry	2,000	2,000	3,927,865	100%	58,194	4,636	4,636	Note 4
								$ 306,291	$ 181,788	$ 181,788	

Note 1: Invested companies recognized under the equity method.
Note 2: The investment gains and losses recognized in the current period exclude the unrealized sales loss of downstream transactions of $854.
Note 3: Investment gains and losses recognized in the current period exclude unrealized sales losses from downstream transactions of $43,920 and unrealized gains on disposal of fixed assets of $31,198.
Note 4: The investment gains and losses recognized in the current period exclude the unrealized gain on sales of downstream transactions of $1,379.

TBI Motion Technology Co., Ltd.

Information on investments in mainland China - Basic Information

For the Year Ended December 31, 2025

Table 7

Unit: NT$ thousand (unless otherwise specified)

Name of investee	Main business activities	Paid-up capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of current period	Investment amount remitted or recovered in the current period		Accumulated investment amount remitted from Taiwan at the end of the period	Investee profit or loss for the period	The Company's shareholding ratio in direct or indirect investments	Investment gains and losses recognized in the current period	Carrying amount of investment at the end of the period	Repatriated investment income up to the current period	Note
					Outflow	Inflow							
TBI Motion Technology (Suzhou) Co., Ltd.	Sale of precision transmission components for the automated industry	$ 164,428	Note 1	$ 164,428	$ -	-	$ 164,428	$ 150,801	100%	$ 150,801	($ 161,941)	$ -	Notes 2, 6
TBI Motion Technology (Jiangsu) Co., Ltd.	Sale of precision transmission components for the automated industry	382,417	Note 1	-	382,417	-	382,417	39,907	100%	39,907	391,146	-	Notes 2, 6

Name of company	Accumulated amount of remittance from Taiwan to mainland China at the end of the period	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	The limit on investment in mainland China stipulated by the Investment Commission of the Ministry of Economic Affairs	Note
TBI Motion Technology Co., Ltd.	$ 546,845	$ 778,927	$ 2,069,567	Notes 4, 5, 7

Note 1: Reinvest in mainland China through reinvestment in TBI Motion Technology (HK) LTD.

Note 2: Gains and losses recognized in the financial statements audited by the parent company's CPAs.

Note 3: The book value of the investment at the end of the period is the investment income and the balance of the long-term equity investment stated in the account of the disclosed investment company.

Note 4: According to the amendments to the "Regulations Governing the Permit of Investment or Technical Cooperation in mainland China" and the "Principle for Review of Investment or Technical Cooperation in mainland China" announced by the Investment Commission of the Ministry of Economic Affairs on August 29, 2008, investors (not belonging to individual and small and medium enterprises) who invest in mainland China, the cumulative investment amount is limited to 60% of the net amount or the consolidated net worth, whichever is greater.

Note 5: The figures in this table should be presented in NTD. The assets and liabilities accounts: CNY is calculated as NTD 1: NTD 4.4961; USD is calculated as NTD 1: NTD 31.4190. Profit and loss account: CNY is calculated as NTD 1: NTD 4.3298; USD is USD 1: NTD 31.1356.

Note 6: Investment gains and losses recognized in the current period exclude unrealized sales losses from downstream transactions of $43,920 and unrealized gains on disposal of fixed assets of $31,198.

Note 7: The Company obtained the approval letter from the Ministry of Economic Affairs on October 21, 2025, agreeing to invest US$20,000 thousand in TBI Motion Technology (Jiangsu) Co., Ltd. through TBI Motion Technology (HK) Limited. As of March 9, 2025, there is still US$7,620 thousand yet to be remitted, and the capital contribution is expected to be completed over three years.

TBI Motion Technology Co., Ltd.

Information on investments in mainland China - significant transactions with investee companies in mainland China directly or indirectly through enterprises in a third region

For the Year Ended December 31, 2025

Table 8

Unit: NT$ thousand (unless otherwise specified)

Name of investee	Sales (purchase)		Property transactions		Accounts receivable (payable)		Notes receivable endorsements/guarantees or collateral provided		Capital financing				Technical service income
	Amount	%	Amount	%	Balance	%	Ending balance	Purpose	Maximum balance	Ending balance	Interest rate range	Current interest	
TBI Motion Technology (Suzhou) Co., Ltd.	$ 1,376,198	71.56%	$ 5,900	0.19%	$ 1,773,856	88.55%	$ -	-	$ -	$ -	-	$ -	$ -
TBI Motion Technology (Jiangsu) Co., Ltd.	653,791	33.96%	35,766	1.14%	636,222	49.28%	-	-	-	53,953	3.264%	546	-

Note: Regarding the calculation of the ratio of transaction amounts to individual revenue or assets, for balance sheet items, it is calculated as the proportion of the ending balance to the individual's total notes and accounts receivable (payable); for income statement items, it is calculated as the cumulative amount as a proportion of the individual's total purchases (sales).