Walrus Pump Co., Ltd. and Subsidiaries
Consolidated Financial Statements and
Auditors' Review Report
2026 and 2025 Q1
(Stock Code: 6982)

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

Walrus Pump Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Report of Independent Accounts for the First Quarter of 2026 and 2025

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Independent Auditors' Review Report

(115) Cai-Shen-Bao-Zi No. 26000388

To the Board of Directors and Shareholders of Walrus Pump Co., Ltd.,

Introduction

We have audited the accompanying consolidated financial statements of Walrus Pump Co., Ltd. and its subsidiaries (the "Group"), which are comprised of the consolidated balance sheets as of March 31, 2026 and 2025, as well as the consolidated statements of comprehensive income, changes in equity and cash flows for January 1 to March 31, 2026 and 2025, and notes to the consolidated financial statements (including a summary of significant accounting policies). It is the management's responsibility to prepare consolidated financial statements that fairly present the Group's consolidated financial position in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard (IAS) 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to draw conclusions on the consolidated financial statements per the review results.

Scope

We have conducted our reviews in accordance with International Standard on Review Engagements 2410 (ISRE 2410) "Review of Interim Financial Information" of the R.O.C. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain the level of assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, and its consolidated financial performance and consolidated cash flows for January 1 to March 31, 2026 and 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the R.O.C.

PwC Taiwan

Chin-Chang Chen

CPAs

Fu-Min Liao

Financial Supervisory Commission
Approval Certificate No.:
Jin-Guan-Zheng-Shen-Zi No. 1060025060
Jin-Guan-Zheng-Shen-Zi No. 1090350620

May 7, 2026

Walrus Pump Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
March 31, 2026 and December 31, March 31, 2025

Unit: NTD thousands

	Assets	Notes	March 31, 2026 Amount	%	December 31, 2025 Amount	%	March 31, 2025 Amount	%
	Current assets							
1100	Cash and cash equivalents	VI (I)	$ 251,088	9	$ 157,574	6	$ 322,833	12
1110	Financial assets measured at fair value through profit or loss - current	VI (II)	-	-	-	-	2,901	-
1136	Financial assets measured at amortized cost - current	VI (III) and VIII	29,789	1	25,918	1	29,600	1
1150	Notes receivable, net	VI (IV)	47,110	2	54,640	2	62,221	2
1170	Net accounts receivable	VI (IV)	270,917	9	235,728	9	223,682	9
1200	Other receivables		1,895	-	1,277	-	6,047	-
1220	Current income tax assets		11,173	-	11,173	-	-	-
130X	Inventories	VI (V)	427,931	15	399,554	15	437,628	17
1410	Prepayments		13,882	-	13,868	-	12,031	1
1470	Other current assets		387	-	249	-	1,081	-
11XX	**Total current assets**		1,054,172	36	899,981	33	1,098,024	42
	Non-current assets							
1600	Property, plant and equipment	VI (VI) and VIII	1,575,318	55	1,587,283	58	1,180,013	45
1755	Right-of-use assets	VI (VII), VII and VIII	186,203	6	192,706	7	223,483	9
1780	Intangible assets	VI (VIII)	14,573	1	9,570	-	6,397	-
1840	Deferred income tax assets		7,880	-	8,543	-	6,908	-
1900	Other non-current assets	VI (IX) and VIII	53,545	2	55,358	2	89,630	4
15XX	**Total non-current assets**		1,837,519	64	1,853,460	67	1,506,431	58
1XXX	**Total assets**		$ 2,891,691	100	$ 2,753,441	100	$ 2,604,455	100

(Continued on next page)

Walrus Pump Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
March 31, 2026 and December 31, March 31, 2025

Unit: NTD thousands

	Liabilities and equity	Notes	March 31, 2026 Amount	%	December 31, 2025 Amount	%	March 31, 2025 Amount	%
	Current liabilities							
2100	Short-term borrowings	VI (X) and VIII	$ 260,000	9	$ 170,000	6	$ 400,000	15
2120	Financial liabilities measured at fair value through profit or loss - current	VI (II)	1,818	-	745	-	-	-
2130	Contract liabilities - current	VI (XX)	6,267	-	3,375	-	583	-
2150	Notes payable		10,170	-	7,985	-	11,991	-
2170	Accounts payable		258,407	9	174,668	7	236,799	9
2200	Other payables	VI (XI)	76,530	3	118,412	4	90,656	4
2230	Current income tax liabilities		160	-	-	-	14,087	1
2250	Provisions for liabilities - current	VI (XVI)	7,244	-	18,503	1	7,782	-
2280	Lease liabilities - current	VII	18,887	1	19,463	1	22,907	1
2300	Other current liabilities		4,490	-	4,077	-	1,854	-
21XX	**Total current liabilities**		643,973	22	517,228	19	786,659	30
	Non-current liabilities							
2530	Corporate bonds payable	VI (XII)	467,797	16	469,380	17	-	-
2540	Long-term borrowings	VI (XIII) and VIII	722,114	25	722,114	26	669,354	26
2550	Liability reserve - non-current	VI (XVI)	9,111	1	6,652	-	5,840	-
2570	Deferred income tax liabilities		2,990	-	2,397	-	901	-
2580	Lease liabilities - non-current	VII	120,775	4	123,991	5	151,295	6
2600	Other non-current liabilities		2,848	-	2,848	-	203	-
25XX	**Total non-current liabilities**		1,325,635	46	1,327,382	48	827,593	32
2XXX	**Total liabilities**		1,969,608	68	1,844,610	67	1,614,252	62
	Equity							
	Share capital	VI (XVII)						
3110	Common share capital		406,747	14	406,491	15	403,491	15
3130	Bond conversion entitlement certificates		744	-	256	-	-	-
	Capital reserve	VI (XVIII)						
3200	Capital reserve		455,842	16	452,280	17	403,603	16
	Retained earnings	VI (XIX)						
3310	Legal reserve		31,083	1	31,083	1	20,967	1
3350	Unappropriated earnings		34,391	1	30,519	1	155,434	6
	Other equity							
3400	Other equity		(6,724)	-	(11,798)	(1)	6,708	-
3XXX	**Total equity**		922,083	32	908,831	33	990,203	38
	Significant Contingent Liabilities and Unrecognized Commitments	IX						
3X2X	**Total liabilities and equity**		$ 2,891,691	100	$ 2,753,441	100	$ 2,604,455	100

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: CHING-FENG HUANG Managerial Officer: CHING-YUN HUANG Accounting Officer: WEN-CHIN CHANG

Walrus Pump Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to March 31, 2026 and 2025

Unit: NTD thousands
(Except for earnings per share in NTD)

	Item	Notes	January 1 to March 31, 2026 Amount	%	January 1 to March 31, 2025 Amount	%
4000	Operating revenue	VI (XVI) (XX)	$ 483,079	100	$ 429,431	100
5000	Operating cost	VI (V) (XXIII)	(366,744)	(76)	(308,371)	(71)
5900	Operating gross profit		116,335	24	121,060	29
	Operating expenses	VI (XXIII)				
6100	Selling and marketing expenses		(29,838)	(6)	(24,934)	(6)
6200	Administrative expenses		(58,489)	(12)	(44,020)	(10)
6300	R&D expenses		(18,456)	(4)	(17,753)	(4)
6450	Expected credit impairment gain	XII (II)	812	-	1,497	-
6000	Total operating expenses		(105,971)	(22)	(85,210)	(20)
6900	Operating profit		10,364	2	35,850	9
	Non-operating income and expenses					
7100	Interest income	VI (III)	215	-	171	-
7010	Other income	VI (XXI)	5,431	1	269	-
7020	Other gains and losses	VI (II) (XXII)	(1,287)	-	4,790	1
7050	Finance costs	VI (XVII) and VII	(9,436)	(2)	(912)	-
7000	Total non-operating income and expenses		(5,077)	(1)	4,318	1
7900	**Net Income before tax**		5,287	1	40,168	10
7950	Income tax expense	VI (XXIV)	(1,415)	-	(7,795)	(2)
8200	**Net income for the period**		$ 3,872	1	$ 32,373	8
	Other comprehensive income Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences in translation of the financial statements of foreign operations		$ 2,768	-	$ 1,718	-
8300	**Other comprehensive profit and loss (net)**		$ 2,768	-	$ 1,718	-
8500	**Total comprehensive income for the period**		$ 6,640	1	$ 34,091	8
	Net income attributable to:					
8610	Owner of the parent company		$ 3,872	1	$ 32,373	8
	Total comprehensive income attributable to:					
8710	Owner of the parent company		$ 6,640	1	$ 34,091	8
	Basic earnings per share	VI (XXV)				
9750	Basic earnings per share		$	0.10	$	0.80
	Diluted earnings per share	VI (XXV)				
9850	Diluted earnings per share		$	0.09	$	0.80

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: CHING-FENG HUANG Managerial Officer: CHING-YUN HUANG Accounting Officer: WEN-CHIN CHANG

Walrus Pump Co., Ltd. and Subsidiaries
Consolidated Statement of Changes Equity
January 1 to March 31, 2026 and 2025

Unit: NTD thousands

		Equity attributable to owners of the parent company										
		Share capital		Capital reserve			Retained earnings		Other equity			
	Notes	Common share capital	Bond conversion entitlement certificates	Capital surplus - issuance premium	Capital surplus - stock options	Capital surplus - restricted employee shares	Legal reserve	Unappropriated earnings	Exchange differences in translation of the financial statements of foreign operations	Remeasurements of defined benefit plans	Other equity - other	Total equity
2025												
Balance on January 1		$ 403,491	$ -	$ 403,603	$ -	$ -	$ 20,967	$ 123,061	$ 2,647	$ 2,343	$ -	$ 956,112
Net income for the period		-	-	-	-	-	-	32,373	-	-	-	32,373
Other comprehensive income (loss) for the period		-	-	-	-	-	-	-	1,718	-	-	1,718
Total comprehensive income for the period		-	-	-	-	-	-	32,373	1,718	-	-	34,091
Balance on March 31		$ 403,491	$ -	$ 403,603	$ -	$ -	$ 20,967	$ 155,434	$ 4,365	$ 2,343	$ -	$ 990,203
2026												
Balance on January 1		$ 406,491	$ 256	$ 405,027	$ 29,043	$ 18,210	$ 31,083	$ 30,519	$ 3,397	$ 2,343	($ 17,538)	$ 908,831
Net income for the period		-	-	-	-	-	-	3,872	-	-	-	3,872
Other comprehensive income (loss) for the period		-	-	-	-	-	-	-	2,768	-	-	2,768
Total comprehensive income for the period		-	-	-	-	-	-	3,872	2,768	-	-	6,640
Remuneration cost of new restricted employee shares	VI (XV)	-	-	-	-	-	-	-	-	-	2,306	2,306
Conversion of convertible corporate bonds	VI (XII)	256	488	4,230	(668)	-	-	-	-	-	-	4,306
Balance on March 31		$ 406,747	$ 744	$ 409,257	$ 28,375	$ 18,210	$ 31,083	$ 34,391	$ 6,165	$ 2,343	($ 15,232)	$ 922,083

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: CHING-FENG HUANG Managerial Officer: CHING-YUN HUANG Accounting Officer: WEN-CHIN CHANG

Walrus Pump Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to March 31, 2026 and 2025

Unit: NTD thousands

	Notes	January 1 to March 31, 2026	January 1 to March 31, 2025
Cash flow from operating activities			
Net income before tax for the current period		$ 5,287	$ 40,168
Adjustments			
Adjustments to reconcile profit and loss			
Gain (loss) from financial assets and liabilities at fair value through profit or loss	VI (II) (XXII)	1,073	(2,901)
Depreciation expense	VI (VI) (VIII) (XXIII)	41,252	19,255
Amortization expenses	VI (VIII) (XXIII)	1,185	709
Interest income		(215)	(171)
Interest expenses		9,436	912
Expected credit impairment gain	XII (II)	(812)	(1,497)
Share-based remuneration payment costs	VI (XV)	2,306	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable, net		7,530	(8,882)
Net accounts receivable		(34,377)	(11,635)
Other receivables		(520)	(1,654)
Inventories		(28,377)	(25,255)
Prepayments		(14)	805
Other current assets		(138)	(458)
Other non-current assets		(393)	(13)
Net changes in liabilities relating to operating activities			
Contract liabilities - current		2,892	(7,665)
Notes payable		2,185	3,989
Accounts payable		83,739	24,220
Other payables		(22,226)	(26,978)
Provisions for liabilities - current		(11,259)	(7,512)
Other current liabilities		413	(1,054)
Liability reserve - non-current		2,459	(902)
Other non-current liabilities		-	(30)
Cash inflow (outflow) from operating activities		61,426	(6,549)
Interest received		117	26
Interest paid		(9,281)	(670)
Net cash generated from (used in) operating activities		52,262	(7,193)
Cash flow from investing activities			
Increase in financial assets at amortized cost		(3,871)	(18,569)
Acquisition of property, plant and equipment	VI (XXVI)	(37,902)	(159,565)
Disposal of property, plant and equipment		64	-
Acquisition of intangible assets	VI (VIII)	(6,188)	-
Decrease (increase) in refundable deposits		382	(403)
Net cash outflow from investing activities		(47,515)	(178,537)
Cash flow from financing activities			
Loaning of short-term borrowings	VI (XXVII)	250,000	400,000
Repayment of short-term borrowings	VI (XXVII)	(160,000)	(248,000)
Decrease in lease liabilities	VI (XXVII)	(3,895)	(4,572)
Loaning of long-term borrowings	VI (XXVII)	-	105,670
Net cash inflow from financing activities		86,105	253,098
Exchange rate effects		2,662	1,646
Increase in cash and cash equivalents for the current period		93,514	69,014
Balance of cash and cash equivalents at beginning of the current period		157,574	253,819
Balance of cash and cash equivalents at end of the current period		$ 251,088	$ 322,833

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: CHING-FENG HUANG Managerial Officer: CHING-YUN HUANG Accounting Officer: WEN-CHIN CHANG

Walrus Pump Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the First Quarters of 2026 and 2025

Unit: NTD thousands
(unless otherwise specified)

I. Company History

Walrus Pump Co., Ltd. (the "Company") was established in the Republic of China in April 1978. The main business items of the Company and its subsidiaries (the "Group") are the design, manufacturing and trading of pumps, motors, spraying machines, mechanical parts, pneumatic labor-saving pumps, automated machines and related component parts.

II. Approval Date and Procedures of the Financial Statements

The accompanying consolidated financial statements have been approved and authorized for issuance by the Board of Directors on May 7, 2026.

III. Application of New Standards, Amendments and Interpretations

(I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRSs") as endorsed and announced by the Financial Supervisory Commission ("FSC")

The newly issued, amended, and revised IFRSs and accounting standards endorsed and promulgated by the FSC in 2026 are as follows:

New, Amended, or Revised Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendment to Classification and Measurement of Financial Instruments"	January 1, 2026
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
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Annual Improvements to IFRSs - Volume 11	January 1, 2026

The Group has assessed that the aforementioned standards and interpretations have no material impact on its financial position and financial performance.

(II) Effect of not adopting new issuances or amendments to International Financial Reporting Standards ("IFRSs") endorsed by FSC

None.

(III) Effects of the IFRSs issued by IASB but not yet endorsed by the FSC

New standards and interpretations of and amendments to the IFRSs issued by IASB but not yet endorsed by the FSC are as follows:

New, Amended, or 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"	Yet to be decided by IASB
IFRS No. 18 "Presentation and Disclosures of Financial Statements"	January 1, 2027 (Note)
IFRS 19 "Subsidiaries not Publicly Responsible for Public Expenditure: Disclosure"	January 1, 2027
Amendments to IAS 21 "Translation to Hyperinflationary Presentation Currency"	January 1, 2027

Note: The FSC announced in its newsletter dated September 25, 2025 that the International Financial Reporting Standards 18 (referred to as IFRS 18) shall be applied to public companies. In addition, if necessary, enterprises may choose to apply IFRS 18 requirements early after FSC approval.

The Group has assessed the aforementioned standards and interpretations and, except for the following, have concluded that they do not have significant effects on the Group's financial position and financial performance:

IFRS No. 18 "Presentation and Disclosures of Financial Statements"

IFRS No. 18 "Presentation and Disclosure in Financial Statements" replaces IAS No. 1 and updates the structure of the comprehensive income statement and adds management performance measurement disclosure, and strengthens the principle of aggregation and segmentation applied to the main financial statements and notes.

IV. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

(I) Statement of Compliance

1. These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC.
2. These consolidated financial statements shall be reviewed together with the consolidated financial statements for 2025.

(II) Basis of Preparation

1. Except for the following significant accounts, the consolidated financial statements have been prepared under the historical cost convention:

   Financial assets (including derivatives) measured at fair value through profit or loss.
2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations, as endorsed and issued into effect by the FSC (collectively referred to herein as the “IFRSs”), 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 financial statements, are disclosed in Note 5.

(III) Basis of Consolidation

1. Principles for preparing the consolidated financial statements

   The principles underlying the preparation of these consolidated financial statements are the same as those of the consolidated financial statements for 2025.
2. Subsidiaries included in the consolidated financial statements:

Investor name	Name of subsidiary	Nature of business	Shareholding percentage			Explanation
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	SUZHOU WALRUS PUMP CO., LTD. (Suzhou Walrus)	Manufacture and sale of water pump	100%	100%	100%	-

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments for subsidiaries with different accounting periods: None.
5. Significant restrictions: None.

6. Subsidiaries that have non-controlling interests that are material to the Group: None.

(IV) Income tax

The tax expense for the interim period is calculated by applying estimated annual average effective tax rate applied to pre-tax profit or loss for the interim period. Relevant information is disclosed according to the aforementioned policy.

V. Significant Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

There were no material changes in the current period. Please refer to Note 5 of the 2025 consolidated financial statements.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 684	$ 660	$ 486
Demand deposits and check deposits	196,190	140,728	262,679
Time deposits	54,214	16,186	59,668
	$ 251,088	$ 157,574	$ 322,833

1. Since the Group corresponds with multiple financial institutions with good credit quality to diversify credit risks, the risk of default is expected to be low.
2. The Group did not pledge any cash and cash equivalents as collateral.

(II) Financial assets and liabilities measured at fair value through profit or loss - current

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily measured at fair value through profit or loss			
Non-hedging derivative financial instruments			
Forward exchange agreement (FXA)	$ -	$ -	$ 2,901
Financial liabilities compulsorily measured at fair value through profit or loss			
Derivatives - convertible bond redemption right	($ 1,818)	($ 745)	$ -

1. Details of the financial assets and liabilities measured at fair value through profit or loss recognized under profit or loss are as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Financial assets and liabilities compulsorily measured at fair value through profit or loss		
Derivatives		
- Forward exchange agreement (FXA)	$ -	$ 2,901
- Convertible bond redemption right	(1,073)	-
	($ 1,073)	$ 2,901

2. The Group's handling of transactions and contracts of derivative financial assets and liabilities to which hedge accounting is not applicable is described in the following:

	March 31, 2025	
Derivative financial assets and liabilities	Contract amount (Notional principal)	Contract period
Current items:		
Forward exchange agreement (FXA)		
- Buy JPY and sell TWD	JPY 315,115 thousand	2025.1.16–2025.9.25

(1) As of March 31, 2026 and December 31, 2025, the Group did not engage in any transactions involving derivative financial assets that were not subject to hedge accounting.

(2) Forward exchange agreement (FXA)

The forward exchange transactions entered into by the Group are advance purchases (sales) of foreign exchange to hedge currency risk related to imports and sales, but hedge accounting has not been applied.

3. The Group did not pledge any financial assets at fair value through profit or loss as collateral.

4. Please refer to Notes 12(2) for information relating to credit risk of financial assets measured at fair value through profit or loss.

(III) Financial assets measured at amortized cost - current

Item	March 31, 2026	December 31, 2025	March 31, 2025
Restricted demand deposit	$ 9,789	$ 7,918	$ 11,600
Time deposits with original maturities exceeding three months from the date of acquisition	20,000	18,000	18,000
	$ 29,789	$ 25,918	$ 29,600

1. Without taking into account any collateral or other credit enhancements, for the most representative financial assets at amortized cost held by the Group, the maximum credit risk exposure as of March 31, 2026, and December 31 and March 31, 2025 was approximately equivalent to the carrying value.
2. Details of the financial assets measured at amortized cost recognized in profit or loss are as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Interest income	$ 206	$ 166

3. Details of the Group's financial assets at amortized cost pledged to others as collateral are provided in Note 8.
4. Information relating to credit risk of financial assets at amortized cost is provided in Note 12 (2). The transaction counterparties of the Group for the investment of certificates of deposits are financial institutions with high credit quality; therefore, it expects that the probability of counterparty default is extremely low.

(IV) Notes and accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	$ 47,110	$ 54,640	$ 62,221
Accounts receivable	$ 271,474	$ 237,092	$ 224,436
Less: Allowance for bad debt	(557)	(1,364)	(754)
	$ 270,917	$ 235,728	$ 223,682

1. The aging of accounts receivable is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Not overdue	$ 267,326	$ 223,214	$ 220,945
Overdue within 90 days	4,132	13,862	3,469
Overdue more than 91 days	16	16	22
	$ 271,474	$ 237,092	$ 224,436

The above aging analysis is based on the number of days past the due date.

2. The balance of notes and accounts receivable as of March 31, 2026, and December 31 and March 31, 2025 all arose from contracts with customers. The balance of notes and accounts receivable from customer contracts on January 1, 2025 was NT$266,139.
3. The Group did not have notes or accounts receivable pledged as collateral.

4. Without taking into account collateral or other credit enhancements held, for the most representative accounts and notes receivable of the Group, the maximum exposure credit risk exposure as of March 31, 2026, and December 31 and March 31, 2025 was approximately equivalent to the carrying value.

5. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12 (2).

(V) Inventories

	March 31, 2026		
	Cost	Allowance for inventory falling price loss	Carrying amount
Raw materials	$ 171,964	($ 11,427)	$ 160,537
Semi-finished goods and work-in-progress	207,723	(11,662)	196,061
Finished goods and merchandise inventory	73,364	(2,031)	71,333
Total	$ 453,051	($ 25,120)	$ 427,931

	December 31, 2025		
	Cost	Allowance for inventory falling price loss	Carrying amount
Raw materials	$ 153,228	($ 12,446)	$ 140,782
Semi-finished goods and work-in-progress	198,434	(12,514)	185,920
Finished goods and merchandise inventory	75,492	(2,640)	72,852
Total	$ 427,154	($ 27,600)	$ 399,554

	March 31, 2025		
	Cost	Allowance for inventory falling price loss	Carrying amount
Raw materials	$ 163,286	($ 11,999)	$ 151,287
Semi-finished goods and work-in-progress	178,524	(9,921)	168,603
Finished goods and merchandise inventory	119,426	(1,688)	117,738
Total	$ 461,236	($ 23,608)	$ 437,628

The amount recognized as cost of goods sold in the current period by the Group:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Cost of inventory sold	$ 367,197	$ 306,310
Estimated loss on warranty	2,282	1,652
Loss on scrapped inventories	-	3,225
Inventories reversal gain	(2,480)	(2,570)
Income from sale of scraps and waste materials	(255)	(246)
	$ 366,744	$ 308,371

Due to the disposal of certain inventory for which impairment losses had been recognized, the net realizable value of inventory increased and a decrease in the cost of goods sold was recognized.

(VI) Property, plant and equipment

	2026								
	Land	Houses and buildings	Machinery and equipment	Transportation equipment	Office equipment	Mold equipment	Others	Unfinished construction	Total
January 1									
Cost	$ 64,438	$1,158,083	$ 482,502	$ 50,636	$ 96,738	$ 152,591	$ 82,657	$ 36,368	$2,124,013
Accumulated depreciation	-	(45,627)	(218,799)	(27,930)	(53,475)	(140,790)	(50,109)	-	(536,730)
	$ 64,438	$1,112,456	$ 263,703	$ 22,706	$ 43,263	$ 11,801	$ 32,548	$ 36,368	$1,587,283
January 1	$ 64,438	$1,112,456	$ 263,703	$ 22,706	$ 43,263	$ 11,801	$ 32,548	$ 36,368	$1,587,283
Increase in current period	-	3,011	1,448	795	4,904	3,595	8,884	-	22,637
Disposal in the current period	-	-	(47)	-	(17)	-	-	-	(64)
Transfer	-	-	-	-	-	-	35,994	(35,994)	-
Depreciation expense	-	(7,816)	(14,210)	(1,727)	(4,291)	(2,342)	(4,251)	-	(34,637)
Net exchange differences	-	-	77	8	6	-	8	-	99
March 31	$ 64,438	$1,107,651	$ 250,971	$ 21,782	$ 43,865	$ 13,054	$ 73,183	$ 374	$1,575,318
March 31									
Cost	$ 64,438	$1,161,094	$ 481,493	$ 51,511	$ 101,341	$ 152,432	$ 126,915	$ 374	$2,139,598
Accumulated depreciation	-	(53,443)	(230,522)	(29,729)	(57,476)	(139,378)	(53,732)	-	(564,280)
	$ 64,438	$1,107,651	$ 250,971	$ 21,782	$ 43,865	$ 13,054	$ 73,183	$ 374	$1,575,318

	2025								
	Land	Houses and buildings	Machinery and equipment	Transportation equipment	Office equipment	Mold equipment	Others	Unfinished construction	Total
January 1									
Cost	$ 64,438	$ 135,724	$ 280,836	$ 41,101	$ 65,251	$ 148,011	$ 76,625	$ 801,459	$1,613,445
Accumulated depreciation	-	(40,754)	(203,866)	(22,343)	(49,438)	(139,135)	(38,262)	-	(493,798)
	$ 64,438	$ 94,970	$ 76,970	$ 18,758	$ 15,813	$ 8,876	$ 38,363	$ 801,459	$1,119,647
January 1	$ 64,438	$ 94,970	$ 76,970	$ 18,758	$ 15,813	$ 8,876	$ 38,363	$ 801,459	$1,119,647
Increase in current period	-	1,741	1,103	-	1,136	137	623	68,369	73,109
Reclassification	-	-	-	-	-	-	-	1,360	1,360
Depreciation expense	-	(978)	(4,959)	(1,298)	(1,708)	(2,102)	(3,137)	-	(14,182)
Net exchange differences	-	-	58	6	6	-	9	-	79
March 31	$ 64,438	$ 95,733	$ 73,172	$ 17,466	$ 15,247	$ 6,911	$ 35,858	$ 871,188	$1,180,013
March 31									
Cost	$ 64,438	$ 137,465	$ 280,354	$ 41,158	$ 62,780	$ 144,381	$ 76,211	$ 871,188	$1,677,975
Accumulated depreciation	-	(41,732)	(207,182)	(23,692)	(47,533)	(137,470)	(40,353)	-	(497,962)
	$ 64,438	$ 95,733	$ 73,172	$ 17,466	$ 15,247	$ 6,911	$ 35,858	$ 871,188	$1,180,013

1. Capitalization of borrowing costs of property, plant, and equipment and interest rate range:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Capitalization amount	$ -	$ 4,632
Capitalized interest rate range	-	2.15%~2.16%

2. For information on the pledge of property, plant, and equipment of the Group, please refer to Note 8 for details.

(VII) Lease transactions - lessee

1. The underlying assets of the Group's lease include land, buildings, and company vehicles, etc. The lease contract durations are from 2 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
2. The lease term of the outdoor advertisement walls and employee dormitory rented by the Group does not exceed 12 months, and the underlying assets rented by the Group are multifunction office machines.
3. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
	Carrying value	Carrying value	Carrying value
Land	$ 159,211	$ 160,793	$ 176,518
Buildings	23,897	28,486	42,543
Transportation equipment	3,095	3,427	4,422
	$ 186,203	$ 192,706	$ 223,483

	January 1 to March 31, 2026	January 1 to March 31, 2025
	Depreciation expense	Depreciation expense
Land	$ 1,582	$ 79
Buildings	4,701	4,662
Transportation equipment	332	332
	$ 6,615	$ 5,073

4. The additions to the right-of-use assets of the Group for January 1 to March 31, 2026 and 2025 were both NT$0.

5. Information on profit and loss accounts relating to lease contracts is as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Items that affect profit or loss		
Interest expense of lease liabilities	$ 738	$ 425
Expenses attributable to short-term lease contracts	663	339
Expenses attributable to low-value assets	182	201
	$ 1,583	$ 965

6. The total lease cash outflow of the Group for January 1 to March 31, 2026 and 2025 were NT$5,478 and NT$5,537, respectively.

7. For information on the pledge of right-of-use assets of the Group, please refer to Note 8 for details.

(VIII) Intangible assets

	Trademarks	Computer software	Total
January 1, 2026			
Cost	$ 1,590	$ 18,731	$ 20,321
Accumulated amortization	-	(10,751)	(10,751)
	$ 1,590	$ 7,980	$ 9,570
January 1	$ 1,590	$ 7,980	$ 9,570
Addition	-	6,188	6,188
Amortization expenses	-	(1,185)	(1,185)
March 31	$ 1,590	$ 12,983	$ 14,573
March 31, 2026			
Cost	$ 1,590	$ 24,919	$ 26,509
Accumulated amortization	-	(11,936)	(11,936)
	$ 1,590	$ 12,983	$ 14,573

	Trademarks	Computer software	Total
January 1, 2025			
Cost	$ 1,590	$ 12,956	$ 14,546
Accumulated amortization	-	(7,441)	(7,441)
	$ 1,590	$ 5,515	$ 7,105
January 1	$ 1,590	$ 5,515	$ 7,105
Amortization expenses	-	(709)	(709)
Net exchange differences	-	1	1
March 31	$ 1,590	$ 4,807	$ 6,397
March 31, 2025			
Cost	$ 1,590	$ 12,921	$ 14,511
Accumulated amortization	-	(8,114)	(8,114)
	$ 1,590	$ 4,807	$ 6,397

(IX) Other non-current assets

	March 31, 2026	December 31, 2025	March 31, 2025
Prepayment for equipment	$ 38,718	$ 40,542	$ 75,427
Refundable deposits	9,016	9,398	9,261
Others	5,811	5,418	4,942
	$ 53,545	$ 55,358	$ 89,630

For the information on the pledge of refundable deposits of the Group, please refer to Note 8 for details.

(X) Short-term borrowings

Nature of borrowings	March 31, 2026	December 31, 2025	March 31, 2025	Collaterals
Bank loans				
Secured loans	$ 130,000	$ 50,000	$ 350,000	Note
Credit loans	130,000	120,000	50,000	None
	$ 260,000	$ 170,000	$ 400,000	
Interest rate interval	2.12%~2.35%	2.10%~2.23%	2.11%~2.35%	

Note: For information on endorsement and guarantee provided by related parties, please refer to Note 7, and for the collateral information, please refer to Note 8 for details.

(XI) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Salary and bonus payables	$ 38,189	$ 59,689	$ 36,511
Construction and equipment payable	9,324	26,413	10,053
Labor, health and insurances payable	5,750	5,800	6,152
Pensions payable	4,325	4,368	4,105
Remuneration of employees	487	344	11,952
Remuneration of directors payable	111	-	3,415
Others	18,344	21,798	18,468
	$ 76,530	$ 118,412	$ 90,656

(XII) Corporate bonds payable

	March 31, 2026	December 31, 2025
First convertible bond offering	$ 299,400	$ 299,400
Less: Discount on bonds payable	(15,314)	(16,922)
Subtotal	284,086	282,478
Second convertible corporate bonds	$ 194,400	$ 199,000
Less: Discount on bonds payable	(10,689)	(12,098)
Subtotal	183,711	186,902
Total	$ 467,797	$ 469,380

1. Relevant information on the domestic convertible corporate bonds issued by the Company is as follows:

   (1) The terms of issuance of the Company's first domestic unsecured convertible corporate bond are as follows:

   A. The Company was approved by the competent authority to offer and issue the first domestic unsecured convertible corporate bond at a total issue amount of NT$300,000, a coupon rate of 0%, and an issue period of three years. The circulation period starts from July 23, 2025 (hereinafter referred to as the "issue date") to July 23, 2028 (hereinafter referred to as the "maturity date"). Unless the bondholders convert the convertible bonds into the Company's ordinary shares in accordance with the issuance and conversion regulations, or the Company recovers them in advance in accordance with the issuance and conversion regulations, or the Company repurchases and cancels them through the securities firm's business premises, the Company shall repay the bond face value in cash in a lump sum within ten business days after maturity of the convertible bonds. These convertible corporate bonds were listed for trading at Taipei Exchange on July 23, 2025.

   B. From October 24, 2025 (three months after the issue date of these convertible bonds) until the maturity date, bondholders may request the Company to convert the convertible bonds into common shares at any time, except during any book closure period specified by the regulations or laws. The rights and obligations of the converted ordinary shares are the same as those of the originally issued ordinary shares.

   C. The conversion price of the convertible corporate bonds is determined according to the pricing model stipulated in the conversion terms. In case where the Group

encounters the situation of anti-dilution terms and conditions, the conversion price is to be adjusted according to the pricing model stipulated in the conversion regulations. Subsequently, on the base date stipulated in the regulations, the conversion price is to be re-determined according to the pricing model stipulated in the conversion terms. The conversion price of said bonds is NT$63.6 per share.

D. For the period from the next day (October 24, 2025) of three months after the issuance of convertible bond to the date of forty days (June 13, 2028) before the maturity of the issue period, if the common stock closing price of the Company continues to reach above 30% (inclusive) of the conversion price for thirty business days or the balance of the outstanding convertible bond is lower than 10% of the total original issuance amount, the Company may redeem the bonds from the bondholders in cash at the bond face value, as stipulated in the issuance and conversion regulations.

E. According to the issuance and conversion regulations, all convertible bonds recovered (including those bought back from Taipei Exchange), repaid, or converted by the Company will be canceled and shall not be sold or reissued. The conversion rights attached to said bonds will also cease to exist.

(2) The terms of issuance of the Company’s second domestic unsecured convertible corporate bond are as follows:

A. The Company was approved by the competent authority to offer and issue the second domestic unsecured convertible corporate bond at a total issue amount of NT$200,000 a coupon rate of 0%, and an issue period of three years. The circulation period starts from August 4, 2025 (hereinafter referred to as the "issue date") to August 4, 2028 (hereinafter referred to as the "maturity date"). Unless the bondholders convert the convertible bonds into the Company’s ordinary shares in accordance with the issuance and conversion regulations, or the Company recovers them in advance in accordance with the issuance and conversion regulations, or the Company repurchases and cancels them through the securities firm’s business premises, the Company shall repay the bond face value in cash in a lump sum within ten business days after maturity of the convertible bonds. These convertible corporate bonds were listed for trading at Taipei Exchange on August 4, 2025.

B. From November 5, 2025 (three months after the issue date of these convertible bonds) until the maturity date, bondholders may request the Company to convert the convertible bonds into common shares at any time, except during any book closure period specified by the regulations or laws. The rights and obligations of the converted ordinary shares are the same as those of the originally issued ordinary shares.

C. The conversion price of the convertible corporate bonds is determined according to the pricing model stipulated in the conversion terms. In case where the Group encounters the situation of anti-dilution terms and conditions, the conversion price is to be adjusted according to the pricing model stipulated in the conversion regulations. Subsequently, on the base date stipulated in the regulations, the conversion price is to be re-determined according to the pricing model stipulated in the conversion terms. The conversion price of said bonds is NT$61.8 per share.

D. For the period from the next day (November 5, 2025) of three months after the issuance of convertible bond to the date of forty days (June 25, 2028) before the maturity of the issue period, if the common stock closing price of the Company continues to reach above 30% (inclusive) of the conversion price for thirty business days or the balance of the outstanding convertible bond is lower than 10% of the total original issuance amount, the Company may redeem the bonds from the bondholders in cash at the bond face value, as stipulated in the issuance and conversion regulations.

E. According to the issuance and conversion regulations, all convertible bonds recovered (including those bought back from Taipei Exchange), repaid, or converted by the Company will be canceled and shall not be sold or reissued. The conversion rights attached to said bonds will also cease to exist.

(3) As of March 31, 2026, the face value of the Company's first and second domestic unsecured convertible corporate bonds totaled NT$600 and NT$5,600, respectively, and have been converted into 9 thousand and 91 thousand common shares, respectively. There were no unsecured convertible bonds issued as of March 31, 2025.

(4) As of March 31, 2026, there was no adjustment to the conversion price of the Company's first domestic unsecured convertible corporate bond and second domestic unsecured convertible corporate bond. There were no unsecured convertible bonds issued as of March 31, 2025.

(5) As of March 31, 2026, the Company had not repurchased its first or second domestic unsecured convertible corporate bonds from Taipei Exchange. There were no unsecured convertible bonds issued as of March 31, 2025.

2. During the issuance of the first domestic unsecured convertible bonds of the Group, according to the regulations of IAS 32, the conversion right of equity nature is separated from the liability component, which is recognized in the “Capital surplus - subscription right” at an amount of NT$16,681. In addition, the embedded redemption right is accounted for separately because it is not closely related to the economic characteristics and risks of the debt instruments of the main contract in accordance with IFRS 9, and is booked at a net amount as "financial liabilities measured at fair value through profit or

loss". The effective interest rate of the debt instruments of the main contract after separation is 2.27%.

During the issuance of the second domestic unsecured convertible corporate bonds of the Group, according to the regulations of IAS 32, the conversion right of equity nature is separated from the liability component, which is recognized in the “Capital surplus - subscription right” at an amount of NT$12,542. In addition, the embedded redemption right is accounted for separately because it is not closely related to the economic characteristics and risks of the debt instruments of the main contract in accordance with IFRS 9, and is booked at a net amount as "financial liabilities measured at fair value through profit or loss". The effective interest rate of the debt instruments of the main contract after separation is 2.42%.

(XIII) Long-term borrowings

Nature of borrowings	March 31, 2026	December 31, 2025	March 31, 2025	Collaterals
Long-term bank loans				
Secured loans	$ 722,114	$ 722,114	$ 602,354	Note
Credit loans	-	-	67,000	None
	$ 722,114	$ 722,114	$ 669,354	
Interest rate interval	2.47%	2.47%	2.15%	

Note: For information on endorsement and guarantee provided by related parties, please refer to Note 7. Except for the indirect guarantee of the SME credit guarantee fund, please refer to Note 8 for information on other collaterals.

The Company signed a syndicated loan contract with the syndicated bank group consisting of First Commercial Bank and other banks in December 2025. The contract period is 5 years, and the main contract terms are as follows:

(1) The medium-term (secured) loan of the credit line of Item A is NT$900,000, and the loan period is 5 years from the date of the first drawdown, and it cannot be drawn on a revolving basis.
(2) Limit of credit line of Item B: NT$300,000, which is divided as follows:
    a. Credit line of Item B-1 refers to a medium-term loan with a credit limit of NT$300,000. The loan period is 5 years from the first drawdown date, and it may be drawn down in discrete times and may be drawn on a revolving basis.
    b. Credit line of Item B-2 refers to a commercial paper guarantee with a credit limit of NT$150,000. The loan period is 5 years from the first drawdown date, and it may be drawn down in discrete times and may be drawn in a revolving basis.
(3) The Company's main commitments are as follows:

a. The Company shall provide six parcels of land located in Xinyuan Section, Luchu District, Kaohsiung City, along with the factory buildings under construction, auxiliary facilities on the land, and thirty-one units of machinery and equipment as the collateral for Items A and B of the loans.

b. The Company's interim and annual consolidated financial statements must maintain the following limits on financial ratios: current ratio (current assets divided by current liabilities) shall not be less than 100%; financial liabilities ratio (total financial liabilities divided by total equity) shall not be higher than 250%; interest coverage ratio (net income before tax + interest expenses + depreciation + amortization) shall not be lower than 200%; and the tangible net worth (total equity - intangible assets) shall not be lower than NT$500 million.

The Company calculated the aforementioned financial ratios and amounts based on the consolidated financial statements reviewed and audited by CPAs as of March 31, 2026, and December 31 and March 31, 2025, and have been in compliance with the syndicated loan agreement.

(4) As of March 31, 2026, the aforementioned amount of the loan drawn was NT$722,114.

(XIV) Pension

(1) Since July 1, 2005, the Group has established the pension regulations applicable to Taiwanese nationals in accordance with the “Labor Pension Act”. Under the New Plan, the Group contributes an amount of not less than 6% of the employees’ monthly salaries and wages for depositing in the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in a lump sum upon termination of employment.

2. The subsidiaries in China included in the consolidated financial statements are subject to the pension plan system stipulated by the People's Republic of China (PRC) government. Under the regulations of the PRC government, a certain percentage of the total salary of the local employees is contributed to a pension fund on a monthly basis. The government manages and arranges the pension fund for each employee. Except for the monthly contributions, the Group has no further obligations.

3. As of January 1 to March 31, 2026 and 2025, the pension costs recognized in the manner specified above were NT$4,420 and NT$4,043, respectively.

(XV) Share-based payments

1. From January 1 to March 31, 2026 and 2025, the Group's share-based payment agreements are as follows:

Type of arrangements	Grant date	Quantity granted (thousand shares)	Contract period	Vesting conditions
New restricted employee shares program (Note 2 and Note 3)	2025.9.1	155	5 years	Note 1
New restricted employee shares program (Note 2 and Note 3)	2025.9.1	145	3 years	Note 1

Note 1: Employees who remain employed after being granted the new restricted employee shares may be eligible to receive shares in discrete times when the Group has achieved the operational performance goals.

Note 2: For the new restricted employee shares issued by the Group, before the vesting conditions are met, other than inheritance, employees shall not sell, pledge, transfer, set up gift to others, or dispose of such new restricted employee shares otherwise. When the employees do not meet the vesting conditions, the Group shall have the right to reacquire such new restricted employee shares not meeting the vesting conditions without compensation and cancel these shares.

Note 3: The share-based payment arrangement applies to full-time official employees of the Group who have been employed before the date the new restricted employee shares are granted.

The said share-based payment arrangements are settled with equity.

2. Details of the aforementioned share-based payment arrangements are as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
	Quantity (thousand shares)	Quantity (thousand shares)
Outstanding share options at the beginning of period	300	-
Stock options granted in the current period	-	300
Exercisable share options at the end of the period	300	300

3. The par value per share of the new restricted employee shares issued by the Group is NT$10, and the issue price per share is NT$0 (i.e., without compensation), with the closing price of NT$70.7 on the grant date set for the fair value measurement.

4. Expenses incurred by share-based payment transactions were as follows:

	January 1 to March 31, 2026
	$
Equity settlement	2,306

(XVI) Provisions for liabilities

	2026		
	Warranty	Sales allowance	Total
January 1	$ 15,671	$ 9,485	$ 25,156
Newly added provision for liabilities in the current period	2,282	140	2,422
Provisions for liabilities used in the current period	(1,739)	(9,484)	(11,223)
March 31	$ 16,214	$ 141	$ 16,355

	2025		
	Warranty	Sales allowance	Total
January 1	$ 13,388	$ 8,648	$ 22,036
Newly added provision for liabilities in the current period	1,652	428	2,080
Provisions for liabilities used in the current period	(1,846)	(8,648)	(10,494)
March 31	$ 13,194	$ 428	$ 13,622

(XVII) Share capital

1. As of March 31, 2026, the Company's authorized capital was NT$800,000 thousand, divided into 80,000 thousand shares, and the paid-in capital was NT$406,747 thousand, at a par value of NT$10 per share. All proceeds for share subscription were collected in full.

2. Adjustments in the number of the Company's outstanding ordinary shares (including certificates of bond conversion rights) (in thousand shares) are as follows:

	2026	2025
January 1	40,675	40,349
Conversion of convertible corporate bonds	75	-
March 31	40,750	40,349

3. On May 27, 2025, the shareholders' meeting approved the issuance of 300 thousand new restricted employee shares. Except that these shares are subject to transfer restrictions before employees satisfy the vesting conditions, these shares shall have the same rights as issued common shares. The issue record date was September 1, 2025, and the registration of the change was completed on September 11, 2025.
4. As of December 31, 2025, the face value of the Company's first and second domestic unsecured convertible corporate bonds totaled NT$600 and NT$1,000, respectively, and they have been converted into 9 thousand and 16 thousand common shares, respectively. In addition, the alternation registration has been completed.
5. The Company converted the principal amount of NT$4,600 of the second domestic unsecured convertible corporate bonds to 75 thousand ordinary shares during the period from January 1 to March 31, 2026. The alternation registration is expected to be completed during the second quarter of 2026.

(XVIII) Capital reserve

Under the Company Act, capital surplus arising from shares issued at premium or from donation may be used for offsetting deficit. Furthermore, if the Group has no accumulated losses, capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original shareholding percentage. The Group may use capital surplus to offset loss only when the amount of reserves is insufficient to offset the loss.

(XIX) Retained earnings

1. According to the Articles of Incorporation of the Group, when there are surplus earnings after final accounts of a fiscal year, taxes shall be paid according to the law and accumulated losses shall be covered first, following which 10% of the surplus earnings shall be set aside as the legal reserve; however, when the legal reserve has reached the paid-in capital of the Group, it may be exempted from such appropriation. For the remaining balance, after special reserve is set aside or reversed according to the laws or regulations, if there is still remaining amount, such remaining amount and the

undistributed surplus earnings of the previous year shall be combined altogether for submission to the Board of Directors to establish a proposal on distribution of surplus earnings, which shall also be submitted to the shareholders' meeting for resolution on the distribution of shareholders' bonuses or reservation thereof.

2. Except when used to make up the Group's previous deficits or appropriate shares or cash to shareholders in proportion to their shareholding percentage, the legal reserve shall not be used. However, the amount of legal reserves used to appropriate new shares or cash shall be limited to the portion exceeding 25% of the paid-in capital.

3. The Group's 2024 earnings distribution proposal was approved by the shareholders' meeting on May 27, 2025, as follows:

	2024	
	Amount	Dividends per share (NT$)
Legal reserve	$ 10,116	
Cash dividends	84,733	$ 2.1
	$ 94,849	

4. On March 5, 2026, the Board of Directors of the Group approved the 2025 earnings distribution proposal and capital surplus cash distribution proposal as follows:

	2025	
	Amount	Dividends per share (NT$)
Legal reserve	$ 231	
Cash dividends	24,389	$ 0.6
	$ 24,620	

	2025	
	Amount	Cash distribution per share (NT$)
Cash distribution from capital surplus	$ 40,649	$ 1

The Company's 2025 earnings distribution proposal has not been approved by the shareholders' meeting as of May 7, 2026.

(XX) Operating revenue

	January 1 to March 31, 2026	January 1 to March 31, 2025
Revenue from contracts with customers	$ 483,079	$ 429,431

1. Revenue from contracts with customers can be classified into the following geographical areas:

January 1 to March 31, 2026	Sales area			
	Taiwan	China	Other regions	Total
Revenue from contracts with customers	$ 317,864	$ 44,052	$ 121,163	$ 483,079

January 1 to March 31, 2025	Sales area			
	Taiwan	China	Other regions	Total
Revenue from contracts with customers	$ 290,428	$ 31,731	$ 107,272	$ 429,431

2. The Group has recognized the following sales revenue related contract liabilities:

	March 31, 2026	December 31, 2025	March 31, 2025
Contract liabilities - current	$ 6,267	$ 3,375	$ 583

3. The Group's contract liabilities recognized as current revenue at the beginning of January 1 to March 31, 2026 and 2025 were NT$3,303 and NT$8,139, respectively.

(XXI) Other income

	January 1 to March 31, 2026	January 1 to March 31, 2025
Income from government grants	$ 3,334	$ -
Other income - others	2,097	269
	$ 5,431	$ 269

(XXII) Other gains and losses

	January 1 to March 31, 2026	January 1 to March 31, 2025
Gain (loss) from financial assets and liabilities at fair value through profit or loss	($ 1,073)	$ 2,901
Foreign exchange gains (losses)	(7)	1,923
Other losses	(207)	(34)
	($ 1,287)	$ 4,790

(XXIII) Additional information on the nature of expenses

	January 1 to March 31, 2026		
	Attributable to operating cost	Attributable to operating expense	Total
Employee benefits expense			
Salary expense	$ 41,641	$ 49,738	$ 91,379
Share-based payments	-	2,306	2,306
Labor and health insurance expense	4,532	4,780	9,312
Pension expense	2,273	2,147	4,420
Remuneration of directors	-	1,236	1,236
Other personnel expenses	3,002	3,676	6,678
	$ 51,448	$ 63,883	$ 115,331
Depreciation expense	$ 29,470	$ 11,782	$ 41,252
Amortization expenses	$ 23	$ 1,162	$ 1,185

	January 1 to March 31, 2025		
	Attributable to operating cost	Attributable to operating expense	Total
Employee benefits expense			
Salary expense	$ 34,947	$ 44,388	$ 79,335
Labor and health insurance expense	3,868	4,697	8,565
Pension expense	1,911	2,132	4,043
Remuneration of directors	-	2,049	2,049
Other personnel expenses	2,546	3,377	5,923
	$ 43,272	$ 56,643	$ 99,915
Depreciation expense	$ 11,156	$ 8,099	$ 19,255
Amortization expenses	$ 23	$ 686	$ 709

1. According to the Articles of Incorporation of the Group, as amended by the shareholders' meeting in 2025, if the Group makes a profit in a fiscal year, it shall appropriate a maximum of 2% for Director remuneration and 3-10% for employee remuneration, of which, no less than 2% shall be appropriated to entry-level employees. If, at the end of the fiscal year, the Group has accumulated losses, it shall first reserve funds to offset the losses before appropriating the remuneration of employees and directors in accordance with the proportions mentioned above.

2. The Group's estimated amounts of employee and director remuneration for the period January 1 to March 31, 2026 and 2025 are as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Remuneration of employees	$ 487	$ 3,076
Remuneration of directors	111	879
	$ 598	$ 3,955

The aforementioned amounts are recognized as salary expense.

The difference between the employee remuneration of NT$344 and director remuneration of NT$0 approved by the Board of Directors for 2025 and the amounts recognized in the 2025 financial statements is NT$0. Employee remuneration has been distributed in cash.

Relevant information on the remuneration of employees and directors of the Group as resolved by the Board of Directors is available at the Market Observation Post System (MOPS) website for inquiries.

(XXIV) Income tax

1. Income tax expense

	January 1 to March 31, 2026	January 1 to March 31, 2025
Current income tax:		
Tax attributable to taxable income of the period	$ 158	$ 7,021
Total current income tax	158	7,021
Deferred income tax:		
Deferred income tax on temporary differences originated and reversed	1,257	774
Income tax expense	$ 1,415	$ 7,795

2. The Group's profit-seeking income tax has been approved by the taxation authority through 2023.

(XXV) Earnings per share

	January 1 to March 31, 2026		
	After-tax amount	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (NT$)
Basic earnings per share			
Profit attributable to shareholders of common shares of the parent	$ 3,872	40,724	$ 0.10
Diluted earnings per share			
Effect of potentially dilutive ordinary shares on remuneration of employees	-	11	
New restricted employee shares	-	40	
Effects of profit attributable to shareholders of common shares of the parent plus potential common shares	$ 3,872	40,775	$ 0.09

	January 1 to March 31, 2025		
	After-tax amount	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (NT$)
Basic earnings per share			
Profit attributable to shareholders of common shares of the parent	$ 32,373	40,349	$ 0.80
Diluted earnings per share			
Effect of potentially dilutive ordinary shares on remuneration of employees	-	139	
Effects of profit attributable to shareholders of common shares of the parent plus potential common shares	$ 32,373	40,488	$ 0.80

The 2026 Q1 convertible corporate bonds have an anti-dilutive effect and are not included in the calculation of diluted earnings per share.

(XXVI) Additional Information on cash flows

Investing activities with partial cash payments:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Acquisition of property, plant, and equipment	$ 22,637	$ 73,109
Add: Prepayments for business facilities at end of the period	38,718	75,427
Construction and equipment payable at the beginning of the period	26,413	73,413
Less: Construction and equipment payable at the end of the period	(9,324)	(10,053)
Prepayments for business facilities at the beginning of the period	(40,542)	(52,331)
Cash paid in the current period	$ 37,902	$ 159,565

(XXVII) Changes in liabilities arising from financing activities

	2026				
	Short-term borrowings	Long-term borrowings	Lease liabilities	Corporate bonds payable	Total liabilities from financing activities
January 1	$170,000	$722,114	$143,454	$469,380	$1,504,948
Changes in cash flow from financing activities	90,000	-	(3,895)	-	86,105
Other non-monetary changes	-	-	59	(1,583)	(1,524)
Net exchange differences	-	-	44	-	44
March 31	$260,000	$722,114	$139,662	$467,797	$1,589,573

	2025			
	Short-term borrowings	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
January 1	$248,000	$563,684	$178,663	$ 990,347
Changes in cash flow from financing activities	152,000	105,670	(4,572)	253,098
Net exchange differences	-	-	111	111
March 31	$400,000	$669,354	$174,202	$1,243,556

VII. Related Party Transactions

(I) Names and relationship with related parties

Company name	Relationship with the Company
CHING-FENG HUANG	Chairman of the Company
CHING-YUN HUANG	General Manager of the Company
You Chang Investment Co., Ltd. (You Chang Investment)	Director of the Company

(II) Significant transactions with related parties

1. Lease transactions - lessee

(1) The Group leases buildings from You Chang Investment. The lease term is from January 1, 2021 to December 31, 2027, and the rent is paid before the 5th day of each month.

(2) Balance of right-of-use assets at the end of the period

	March 31, 2026	December 31, 2025	March 31, 2025
You Chang Investment	$ 19,799	$ 22,628	$ 31,113

(3) Lease liabilities

A. Balance at the end of the period:

	March 31, 2026	December 31, 2025	March 31, 2025
You Chang Investment	$ 20,680	$ 23,585	$ 32,227

B. Interest expenses

	January 1 to March 31, 2026	January 1 to March 31, 2025
You Chang Investment	$ 95	$ 143

2. Status of endorsements and guarantees provided by related parties

	March 31, 2026	December 31, 2025	March 31, 2025
CHING-FENG HUANG and CHING-YUN HUANG	$ 982,114	$ 892,114	$ 1,069,354

(III) Information on Remuneration to Key Management

	January 1 to March 31, 2026	January 1 to March 31, 2025
Short-term employee benefits	$ 14,167	$ 14,142
Post-retirement benefits	660	614
Other long-term employee benefits	549	578
	$ 15,376	$ 15,334

VIII. Pledged Assets

The Group's assets pledged as collateral are as follows:

Asset item	Carrying value: March 31, 2026	Carrying value: December 31, 2025	Carrying value: March 31, 2025	Purpose of collateral
Financial assets measured at amortized cost - current	$ 9,789	$ 7,918	$ 11,600	Collaterals for short-term borrowings
Land	64,438	64,438	64,438	Collaterals for long-term and short-term borrowings
Houses and buildings	1,005,829	1,112,456	95,733	Collaterals for long-term and short-term borrowings
Machinery and equipment	146,766	154,744	-	Collaterals for long-term loan borrowings
Other equipment	24,098	26,013	-	Collaterals for long-term loan borrowings
Unfinished construction	374	36,368	658,932	Collaterals for long-term loan borrowings
Right-of-use assets	179,446	182,972	207,578	Collaterals for long-term and short-term borrowings
Refundable deposits (recognized as other non-current assets)	9,016	9,398	9,261	Performance guarantee
	$ 1,439,756	$ 1,594,307	$ 1,047,542	

IX. Significant Contingent Liabilities and Unrecognized Commitments

Capital expenditures committed but not yet incurred

	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment	$ 147,022	$ 147,022	$ 207,916

X. Significant Disaster Losses

No such situation.

XI. Significant Subsequent Events

No such situation.

XII. Others

(I) Capital management

The purpose of the Group's capital management is to ensure its continued operation as a going concern while maintaining an optimal capital structure, in order to lower the cost of capital, and to provide returns to shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return share capital to shareholders, or issue new shares, in order to reduce the debt.

(II) Financial Instruments

1. Type of financial instrument

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets mandatorily measured at fair value through profit or loss	$ -	$ -	$ 2,901
Financial assets measured at amortized cost			
Cash and cash equivalents	251,088	157,574	322,833
Financial assets measured at amortized cost - current	29,789	25,918	29,600
Notes receivable	47,110	54,640	62,221
Accounts receivable	270,917	235,728	223,682
Other receivables	1,895	1,277	6,047
Refundable deposits (recognized as other non-current assets)	9,016	9,398	9,261
	$ 609,815	$ 484,535	$ 656,545

	March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities compulsorily measured at fair value through profit or loss	$ 1,818	$ 745	$ -
Financial liabilities measured at amortized cost			
Short-term borrowings	260,000	170,000	400,000
Notes payable	10,170	7,985	11,991
Accounts payable	258,407	174,668	236,799
Other payables	76,530	118,412	90,656
Long-term borrowings	722,114	722,114	669,354
	$ 1,329,039	$ 1,193,924	$ 1,408,800
Lease liabilities	$ 139,662	$ 143,454	$ 174,202

2. Risk management policy

(1) The Group's daily operations are affected by various financial risks, e.g. market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. The Group's risk management policy focuses on unpredictable market events in order to minimize their potentially adverse impacts on the Group's financial position and financial performance.

(2) The risk management of the Group is executed by the financial unit according to the policies approved by the Board of Directors. The financial unit of the Group cooperates with all operating units of the Group closely in order to be responsible for the identification, assessment and hedging of financial risks. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and the investment of excess liquidity.

3. Nature and degree of significant financial risks

(1) Market risk

Foreign exchange risk

A. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

B. The Group's businesses involve some non-functional currency operations (the Group's functional currency: NTD; subsidiaries' functional currency: RMB).

Information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2026		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NT$)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NT$	$ 4,107	31.95	$ 131,219
RMB : NT$	17,954	4.63	83,127
USD : RMB	255	6.92	8,147

	December 31, 2025		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NT$)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NT$	$ 1,926	31.43	$ 60,534
RMB : NT$	17,718	4.50	79,731
USD : RMB	176	7.03	5,532

	March 31, 2025		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NT$)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NT$	$ 3,845	33.21	$ 127,692
RMB : NT$	16,057	4.57	73,380
USD : RMB	28	7.18	930

C. The total exchange gain or loss (including realized and unrealized) arising from significant foreign exchange variation on the monetary items held by the Group for January 1 to March 31, 2026 and 2025, amounted to profit or loss of (NT$7) and NT$1,923, respectively.

D. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	January 1 to March 31, 2026		
	Sensitivity analysis		
	Change percentage	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NT$	1%	$ 1,312	$ -
RMB : NT$	1%	831	-
USD : RMB	1%	81	-

	January 1 to March 31, 2025		
	Sensitivity analysis		
	Change percentage	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NT$	1%	$ 1,277	$ -
RMB : NT$	1%	734	-
USD : RMB	1%	9	-

(2) Credit risk

A. The Group's credit risk refers to the risk of financial loss to the Group arising from default by the clients or transaction counterparties of financial instruments on the contract obligations. Such risk is mainly due to the counterparties being unable to repay the accounts payable according to the payment terms.

B. The Group establishes management of credit risk from the company's perspective. According to the internally specified credit extension policy, before the internal department and each new customer of the Group establishes the terms for payment and goods delivery, it is necessary to perform management and credit risk analysis. Internal risk control is achieved by evaluating a client's credit quality against the client's financial position, credit records, and other factors. The limit on individual risk is set by the Board of Directors by referring to internal or external ratings. The status of utilization of credit lines is regularly monitored.

C. According to the credit risk management procedure, the Group deems it a breach of contract when the counterparty is under the condition of financial difficulties or bounced check.

D. The Group manages the credit risk of bank deposits and other financial instruments in accordance with the company policy. Only banks and financial institutions with investment grade credit ratings are accepted as counterparties.

E. The Group adopts IFRS 9 to provide the following preliminary assumption, in order to use it as the basis for determining whether the credit risk of a financial instrument has increased significantly or whether a breach has occurred since the original recognition:

If the contract payments are past due over 90 days based on the terms, it is deemed that there has been a significant increase in credit risk on that instrument since initial recognition.

F. The Group classifies accounts receivable due from clients by the characteristics of client ratings and client type, and adopts the simplified approach that measures expected credit losses based on the preparation matrix.

G. The Group adjusts its loss rates established based on historical and current information for specific periods by incorporating forward-looking information to estimate the loss allowance for accounts receivable. The provision matrix as of March 31, 2026, December 31, 2025, and March 31, 2025, is as follows:

March 31, 2026	Not overdue	Overdue within 90 days	Overdue more than 91 days	Total
Expected loss ratio	0.04%	0.27%~84.56%	100%	
Total carrying amount	$ 267,326	$ 4,132	$ 16	$271,474
Allowance for loss	(107)	(434)	(16)	(557)

December 31, 2025	Not overdue	Overdue within 90 days	Overdue more than 91 days	Total
Expected loss ratio	0.03%	0.12%~86.72%	100%	
Total carrying amount	$ 223,214	$ 13,862	$ 16	$237,092
Allowance for loss	(67)	(1,281)	(16)	(1,364)

March 31, 2025	Not overdue	Overdue within 90 days	Overdue more than 91 days	Total
Expected loss ratio	0.23%~0.42%	1.89%~50.81%	100%	
Total carrying amount	$ 220,945	$ 3,469	$ 22	$224,436
Allowance for loss	(609)	(123)	(22)	(754)

H. Changes in the loss allowances provided for accounts receivable using the simplified approach are as follows:

	2026	2025
	Accounts receivable	Accounts receivable
January 1	$ 1,364	$ 2,250
Reversal of impairment loss	(812)	(1,497)
Exchange rate effects	5	1
March 31	$ 557	$ 754

I. As there is no significant expected credit loss, the Group has not estimated the notes receivable loss allowance.

(2) Liquidity risk

A. The cash flow forecast is prepared by the Company's financial unit. The Company's financial unit monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, in order to prevent the Company from breaching relevant borrowing limits or terms.

B. The loan credit not yet drawn by the Group is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Due in one year	$ 909,000	$ 943,000	$ 336,900
Due in more than one year	527,886	527,886	482,646
	$ 1,436,886	$ 1,470,886	$ 819,546

C. Except as listed in the table below, the Group's non-derivative financial liabilities are all due within one year. The cash flows amount for notes payable, accounts payable, and other payables due within one year for March 31, 2026, and December 31 and March 31, 2025, are consistent with the balances of each item on the balance sheet.

March 31, 2026	Within 1 year	More than 1 year	Total
Non-derivative financial liabilities:			
Short-term borrowings	$ 261,996	$ -	$ 261,996
Lease liabilities	$ 21,576	$ 167,966	$ 189,542
Long-term borrowings	$ 18,019	$ 788,966	$ 806,985
Corporate bonds payable	$ -	$ 493,800	$ 493,800

December 31, 2025	Within 1 year	More than 1 year	Total
Non-derivative financial liabilities:			
Short-term borrowings	$ 170,422	$ -	$ 170,422
Lease liabilities	$ 24,086	$ 171,308	$ 195,394
Long-term borrowings	$ 17,922	$ 793,361	$ 811,283
Corporate bonds payable	$ -	$ 498,400	$ 498,400

March 31, 2025	Within 1 year	More than 1 year	Total
Non-derivative financial liabilities:			
Short-term borrowings	$ 404,241	$ -	$ 404,241
Lease liabilities	$ 26,112	$ 197,745	$ 223,857
Long-term borrowings	$ 15,078	$ 730,466	$ 745,544

(III) Fair value information

1. Below are the definitions assigned to each level of valuation technique used to measure the fair value of financial and non-financial assets:

   Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

   Level 3: Unobservable inputs for the asset or liability.

2. Financial instruments not measured at fair values

   (1) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets measured at amortized cost - current, notes receivable, accounts receivable, other receivables, security deposits paid, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings and lease liabilities are reasonable approximations of their fair values.

	March 31, 2026			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Corporate bonds payable	$ 467,797	$ -	$ -	$ 471,709

No such condition as of March 31, 2025.

(2) The techniques and assumptions used to estimate fair value are stated as follows:

The corporate bonds payable are evaluated using the binary tree convertible bond valuation model.

3. Financial and non-financial assets measured at fair value are classified by the Group according to the nature, characteristic, risk, and fair value level of the assets, and relevant information is stated as follows:

(1) The Group classifies its assets and liabilities by their function; stated as follows:

March 31, 2026	Level 1	Level 2	Level 3	Total
Liabilities				
Recurring fair value				
Financial liabilities compulsorily measured at fair value through profit or loss				
Embedded option in convertible corporate bonds (Note)	$ -	$ -	$ 1,818	$ 1,818

Note: For the value of the redemption right and put option for the convertible corporate bonds issued by the Group, please refer to Note VI (XII)

(2) The techniques and assumptions used by the Group to measure fair value are stated as follows:

The fair value of financial instruments without an active market is obtained using valuation techniques. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date (such as the reference yield curve of TPEx).

4. For January 1 to March 31, 2026 and 2025, there was no transfer between Level 1 and Level 2 fair value hierarchy.

5. Changes in Level 3 fair value hierarchy are stated as follows for January 1 to March 31, 2026:

	2026
	Derivatives
January 1	$ 745
Gains or losses recognized in profit or loss	
Non-operating income and expenses recognized	1,073
March 31	$ 1,818

No such condition as of March 31, 2025.

6. The significant non-observable input value quantified information and significant non-observable input value change sensitivity analysis for the valuation model used in relation to the Level 3 fair value measurements are as follows:

	Fair value on March 31, 2026	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between input and fair value
Derivatives:					
Options embedded in convertible corporate bonds	$ 1,818	Binary tree convertible bond valuation model	Stock price volatility	41.79%	The higher the volatility, the higher the fair value

7. The Group elects to adopt valuation models and valuation parameters under prudential consideration. Nonetheless, this does not preclude the differences arising from adoption of different valuation models or parameters. If valuation parameters change, financial assets and financial liabilities classified as Level 3 will have effects on the profit/loss or other comprehensive income, stated as follows:

			March 31, 2026			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial liabilities						
Derivatives:						
Options embedded in convertible corporate bonds	Volatility	±5%	$ 148	($ 277)	$ -	$ -

XIII. Additional Disclosures

(I) Information on Significant Transactions

1. Loans to others: None.
2. Endorsements/guarantees for others: None.
3. Significant securities held (excluding investment in subsidiaries, associates, and joint venture equity): None.
4. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

5. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

6. Significant intercompany transactions: None.

(II) Information on investees

Name and location of investees (excluding those in China): None.

(III) Information on investment in China

1. Basic information: Please refer to Table 1 for details.

2. Significant transactions, either directly or indirectly through a third area, with investees in the Mainland Area: None.

XIV. Segment Information

(I) General Information

The Group management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Group's business segments are mainly divided into the domestic business segment, the international business segment, and others.

(II) Information on segment profit or loss, assets and liabilities

The information on segments required for reporting is provided to the key operating decision maker as follows. In addition, the Group does not provide the key operating decision maker with total asset amounts and total liability amounts for operating decisions.

	Taiwan			
January 1 to March 31, 2026	Domestic business segment	Others	International business segment	Total
Segment income	$ 312,453	$ 5,411	$ 165,215	$ 483,079
Segment profit or loss	$ 2,502	($ 1,216)	$ 11,650	$ 10,364
Interest income and other income				5,646
Other gains and losses				1,287
Finance costs				(9,436)
Net Income before tax				5,287
Income tax expense				(1,415)
Net income after tax				$ 3,872

January 1 to March 31, 2025	Taiwan			
	Domestic business segment	Others	International business segment	Total
Segment income	$ 274,087	$ -	$ 155,344	$ 429,431
Segment profit or loss	$ 14,997	($ 217)	$ 21,070	$ 35,850
Interest income and other income				440
Other gains and losses				4,790
Finance costs				(912)
Net Income before tax				40,168
Income tax expense				(7,795)
Net income after tax				$ 32,373

(III) Reconciliation of segment profit or loss

Sales between segments are conducted in accordance with the fair-trade principle. The revenue from external parties and segment profit or loss reported to the main operation decision maker are measured in a manner consistent with the income indicated in the income statement.

Walrus Pump Co., Ltd. and Subsidiaries
Information on Investments in China - Basic Information
January 1 to March 31, 2026

Table 1

Unit: NTD thousands
(unless otherwise specified)

Name of investee in China	Main business item	Paid-in capital	Investment method (Note 1)	Accumulated outward remittance for investment from Taiwan at beginning of the current period	Outward remittance or repatriation of investment amount at beginning of the current period		Accumulated outward remittance for investment from Taiwan at end of the current period	Current profit/loss of investee	Shareholding percentage of direct or indirect investment of the Company	Current Investment profit/loss recognized (Note 2)	Carrying amount at end of the period	Accumulated repatriation of investment income as of end of current period	Note
					Outward remittance	Repatriation							
Suzhou Walrus	Manufacture and sale of water pump	$ 79,875 (USD 2,500 thousand)	(1)	$ 41,535 (USD 1,300 thousand)	$ -	$ -	$ 41,535 (USD 1,300 thousand)	$ 3,062	100%	$ 3,062	$ 98,011	$ -	

Company name	Accumulated outward remittance for investment in China region at end of the period	Investment amount approved by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Suzhou Walrus	$ 41,535 (USD 1,300 thousand)	$ 79,875 (USD 2,500 thousand)	$ 553,250

Note 1: The investment types are classified into three types as follows:
(1) Direct investment in China
(2) Indirect investment in China through a company in a third region (please indicate the investing company in the third region)
(3) Other methods
Note 2: Investment gains and losses are recognized based on financial statements reviewed and audited by the CPAs of the parent company.
Note 3: The relevant figures in this table are expressed in NTD. If foreign currencies are involved, they are converted at the USD to NTD exchange rate of 31.95 on the balance sheet date.