

RUBY TECH CORPORATION
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2025 AND 2024

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

STATEMENT OF CONSOLIDATED FINANCIAL REPORTS FOR AFFILIATED ENTERPRISES

For the year ended December 31, 2025, the companies that shall be included in the preparation of the consolidated financial reports of affiliated enterprises in accordance with the “Principles for the Preparation of Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” and the companies that shall be included in the preparation of the parent-subsidary consolidated financial reports in accordance with International Accounting Standard No. 10 are the same. Furthermore, all relevant information that should be disclosed in the consolidated financial reports of affiliated enterprises has already been disclosed in the aforementioned parent-subsidary consolidated financial reports. Therefore, no separate consolidated financial reports of affiliated enterprises will be prepared.

Hereby declare

Company Name: Ruby Tech Corp.

Person in Charge: Lin, Kuan-Ming

March 11, 2026

INDEPENDENT AUDITORS' REPORT

Ruby Tech Corp.

Audit Opinion

We have audited the consolidated balance sheets of Ruby Tech Corp. and its subsidiaries as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statement of changes in equity, consolidated statements of cash flows for the years then ended January 1, 2025 to December 31, 2025 and January 1, 2024 to December 31, 2024, as well as the notes to the consolidated financial statements and a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Ruby Tech Corp. and its subsidiaries as of December 31, 2025 and 2024, and their consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRS accounting standards”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conduct our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Ruby Tech Corp. and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of Ruby Tech Corp. and its subsidiaries for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters relating to the consolidated financial statements of Ruby Tech Corp. and its subsidiaries for the year ended December 31, 2025 are stated as follows:

Revenue Recognition from Specific Customers

Management is under pressure to achieve forecasted financial targets, and therefore auditing standards presume a risk of fraud in revenue recognition. For the year ended December 31, 2025, revenue from sales to specific customers of Ruby Tech Corp. and its subsidiaries amounted to \$652,896 thousand, representing approximately 65% of total operating revenue. We consider the occurrence of revenue from sales to specific customers to be a significant risk and have therefore identified it as a key audit matter. For accounting policies on revenue recognition, please refer to Note 4(12) to the consolidated financial statements.

The primary audit procedures performed were as follows:

1. We understood and tested the design and operating effectiveness of key internal controls over the revenue recognition process.
2. We selected samples from sales transactions with specific customers, agreed them to external supporting documents such as customer orders and customs declarations, and examined subsequent receipts to assess the occurrence of the sales transactions.

Other Matter

We have also audited the parent company only financial statements of Ruby Tech Corp. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unqualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of Ruby Tech Corp. and its subsidiaries to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Ruby Tech Corp. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Ruby Tech Corp. and its subsidiaries.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Ruby Tech Corp. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Ruby Tech Corp. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Ruby Tech Corp. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Ruby Tech Corp. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of Ruby Tech Corp. and its subsidiaries. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of Ruby Tech Corp. and its subsidiaries for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Lin, Shu-Ju and Chang, Chun-I.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 11, 2026

Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. 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 consolidated financial statements shall prevail.

RUBY TECH CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2025 and 2024

Unit: NT\$ thousand

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 357,349	25	\$ 272,248	20
1110	Current financial assets measured at fair value through profit or loss (Notes 4 and 7)	28,013	2	23,464	2
1120	Current financial assets measured at fair value through other comprehensive income (Notes 4 and 8)	72,011	5	80,431	6
1136	Current financial assets measured at amortized cost (Notes 4, 9 and 31)	388,616	27	359,493	26
1150	Notes receivable (Notes 4 and 10)	-	-	528	-
1170	Accounts receivable (Notes 4, 10 and 23)	168,214	12	183,498	13
1200	Other receivables (Notes 4 and 10)	6,047	-	4,059	-
1220	Income tax receivable for the current period (Notes 4 and 25)	162	-	162	-
130X	Inventories (Notes 4, 5, and 11)	128,135	9	165,530	12
1470	Other current assets (Note 16)	<u>6,569</u>	<u>-</u>	<u>7,923</u>	<u>-</u>
11XX	Total current assets	<u>1,155,116</u>	<u>80</u>	<u>1,097,336</u>	<u>79</u>
	Non-Current Assets				
1600	Property, plant and equipment (Notes 4 and 13)	263,621	18	271,065	20
1755	Right-of-use assets (Notes 4 and 14)	7,032	1	1,639	-
1780	Other intangible assets (Notes 4 and 15)	4,493	-	4,825	-
1840	Deferred income tax assets (Notes 4 and 25)	9,089	1	11,903	1
1975	Net defined benefit assets - non-current (Notes 4 and 20)	2,746	-	-	-
1990	Other non-current assets (Note 16)	<u>4,148</u>	<u>-</u>	<u>3,632</u>	<u>-</u>
15XX	Total non-current assets	<u>291,129</u>	<u>20</u>	<u>293,064</u>	<u>21</u>
1XXX	Total Assets	<u>\$ 1,446,245</u>	<u>100</u>	<u>\$ 1,390,400</u>	<u>100</u>
	Liabilities and Equity				
	Current Liabilities				
2130	Contract liabilities - current (Notes 4 and 23)	\$ 27,350	2	\$ 26,431	2
2150	Notes payable (Note 17)	61,236	4	48,901	4
2170	Accounts payable (Note 17)	64,820	5	47,893	3
2219	Other payables (Note 18)	92,211	7	96,187	7
2230	Income tax payable for the current period (Notes 4 and 25)	19,561	1	12,247	1
2250	Liability provisions - current (Notes 4 and 19)	1,487	-	2,193	-
2280	Current lease liabilities (Notes 4 and 14)	4,301	-	1,649	-
2399	Other current liabilities (Note 18)	<u>3,496</u>	<u>-</u>	<u>3,376</u>	<u>-</u>
21XX	Total current liabilities	<u>274,462</u>	<u>19</u>	<u>238,877</u>	<u>17</u>
	Non-Current Liabilities				
2570	Deferred income tax liabilities (Notes 4 and 25)	1,042	-	1,335	-
2580	Lease liabilities - non-current (Notes 4 and 14)	2,748	-	-	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 20)	-	-	214	-
2670	Other non-current liabilities (Note 18)	<u>209</u>	<u>-</u>	<u>208</u>	<u>-</u>
25XX	Total non-current liabilities	<u>3,999</u>	<u>-</u>	<u>1,757</u>	<u>-</u>
2XXX	Total Liabilities	<u>278,461</u>	<u>19</u>	<u>240,634</u>	<u>17</u>
	Equity attributable to owners of the Company (Notes 21 and 27)				
3110	Capital – common stock	<u>577,058</u>	<u>40</u>	<u>577,838</u>	<u>42</u>
3200	Capital surplus	<u>39,460</u>	<u>3</u>	<u>38,969</u>	<u>3</u>
	Retained earnings				
3310	Legal reserve	225,303	16	210,984	15
3320	Special reserve	14,229	1	-	-
3350	Undistributed earnings	<u>340,249</u>	<u>23</u>	<u>338,545</u>	<u>24</u>
3300	Total retained earnings	<u>579,781</u>	<u>40</u>	<u>549,529</u>	<u>39</u>
3400	Other equity interest	(<u>28,515</u>)	(<u>2</u>)	(<u>14,229</u>)	(<u>1</u>)
3500	Treasury shares (Note 22)	<u>-</u>	<u>-</u>	(<u>2,341</u>)	<u>-</u>
3XXX	Total Equity	<u>1,167,784</u>	<u>81</u>	<u>1,149,766</u>	<u>83</u>
	Total Liabilities and Equity	<u>\$ 1,446,245</u>	<u>100</u>	<u>\$ 1,390,400</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

RUBY TECH CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended December 31, 2025 and 2024

Unit: NT\$ thousand Except Earnings Per Share (NTD dollars)

Code		2025		2024	
		Amount	%	Amount	%
	Operating Revenue (Notes 4, 23 and 30)				
4100	Sales revenue	\$ 979,053	97	\$ 987,889	97
4800	Other operating revenue	<u>31,598</u>	<u>3</u>	<u>30,524</u>	<u>3</u>
4000	Total operating revenue	<u>1,010,651</u>	<u>100</u>	<u>1,018,413</u>	<u>100</u>
	Operating Costs (Notes 4, 11, 20, 24 and 27)				
5110	Cost of goods sold	630,956	62	676,413	67
5800	Other operating costs	<u>29,338</u>	<u>3</u>	<u>21,945</u>	<u>2</u>
5000	Total operating costs	<u>660,294</u>	<u>65</u>	<u>698,358</u>	<u>69</u>
5900	Gross Profit	<u>350,357</u>	<u>35</u>	<u>320,055</u>	<u>31</u>
	Operating Expenses (Notes 20, 24 and 27)				
6100	Marketing expenses	60,678	6	58,918	6
6200	Administrative expenses	43,348	4	39,840	4
6300	Research and development expenses	83,780	9	82,206	8
6450	Expected credit impairment losses (reversal gains) (Note 10)	<u>10</u>	<u>-</u>	<u>(37)</u>	<u>-</u>
6000	Total operating expenses	<u>187,816</u>	<u>19</u>	<u>180,927</u>	<u>18</u>
6900	Operating Net Profit	<u>162,541</u>	<u>16</u>	<u>139,128</u>	<u>13</u>
	Non-Operating Income and Expenses (Note 24)				
7010	Other income	4,211	1	4,226	1
7020	Other gains and losses	1,264	-	12,687	1
7050	Finance costs	(56)	-	(48)	-
7100	Interest income	<u>12,010</u>	<u>1</u>	<u>12,321</u>	<u>1</u>
7000	Total non-operating income and expenses	<u>17,429</u>	<u>2</u>	<u>29,186</u>	<u>3</u>
7900	Net Profit Before Tax	179,970	18	168,314	16
7950	Income Tax Expense (Notes 4 and 25)	<u>26,113</u>	<u>3</u>	<u>31,912</u>	<u>3</u>
8200	Net Profit for the Current Year	<u>153,857</u>	<u>15</u>	<u>136,402</u>	<u>13</u>
	Other Comprehensive Income (Loss) (Notes 20 and 21)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	1,949	-	3,635	1
8316	Unrealized gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	(12,520)	(1)	(29,130)	(3)
8349	Income tax related to items that may not be reclassified (Notes 4 and 25)	(390)	-	(727)	-
		(10,961)	(1)	(26,222)	(2)
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operations	29	-	1,028	-
8399	Income tax related to items that may be reclassified (Notes 4 and 25)	(6)	-	(205)	-
		<u>23</u>	<u>-</u>	<u>823</u>	<u>-</u>
8300	Other comprehensive income (after tax) for the year	(10,938)	(1)	(25,399)	(2)
8500	The Consolidated Total Comprehensive Income for the Year	<u>\$ 142,919</u>	<u>14</u>	<u>\$ 111,003</u>	<u>11</u>
8610	Net Profit Attributable to the Owner of the Company	<u>\$ 153,857</u>	<u>15</u>	<u>\$ 136,402</u>	<u>13</u>
8710	The Consolidated Total Comprehensive Income Attributable to the Owner of the Company	<u>\$ 142,919</u>	<u>14</u>	<u>\$ 111,003</u>	<u>11</u>
	Earnings Per Share (Note 26)				
9750	Basic	<u>\$ 2.67</u>		<u>\$ 2.36</u>	
9850	Diluted	<u>\$ 2.65</u>		<u>\$ 2.35</u>	

The accompanying notes are an integral part of these consolidated financial statements.

RUBY TECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2025 and 2024

Unit: NT\$ thousand

Code		Capital – Common Stock	Capital Surplus				Retained Earnings			Other Equity Interest		Treasury Shares	Total Equity
			Share Premium	Received Gift(s)	Treasury Share Transactions	Employee Stock Options	Legal Reserve	Special Reserve	Undistributed Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains (Losses) On Financial Assets Measured at Fair Value Through Other Comprehensive Income		
A1	Balance as of January 1, 2024	\$561,030	\$26,756	\$ 173	\$ 12,040	\$ -	\$ 185,474	\$ -	\$ 405,749	(\$ 2,498)	\$ 20,455	(\$ 2,341)	\$1,206,838
	Appropriation and distribution of earnings for 2023												
B1	Legal reserve	-	-	-	-	-	25,510	-	(25,510)	-	-	-	-
B5	Shareholders' cash dividends	-	-	-	-	-	-	-	(168,075)	-	-	-	(168,075)
B9	Shareholders' share dividends	16,808	-	-	-	-	-	-	(16,808)	-	-	-	-
D1	Net profit for 2024	-	-	-	-	-	-	-	136,402	-	-	-	136,402
D3	Other comprehensive income (loss) after tax for 2024	-	-	-	-	-	-	-	2,908	823	(29,130)	-	(25,399)
D5	Total comprehensive income for 2024	-	-	-	-	-	-	-	139,310	823	(29,130)	-	111,003
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	3,879	-	(3,879)	-	-
Z1	Balance as of December 31, 2024	577,838	26,756	173	12,040	-	210,984	-	338,545	(1,675)	(12,554)	(2,341)	1,149,766
	Appropriation and distribution of earnings for 2024												
B1	Legal reserve	-	-	-	-	-	14,319	-	(14,319)	-	-	-	-
B3	Special reserve	-	-	-	-	-	-	14,229	(14,229)	-	-	-	-
B5	Shareholders' cash dividends	-	-	-	-	-	-	-	(126,953)	-	-	-	(126,953)
D1	Net profit for 2025	-	-	-	-	-	-	-	153,857	-	-	-	153,857
D3	Other comprehensive income (loss) after tax for 2025	-	-	-	-	-	-	-	1,559	23	(12,520)	-	(10,938)
D5	Total comprehensive income for 2025	-	-	-	-	-	-	-	155,416	23	(12,520)	-	142,919
L3	Retirement of treasury shares	(780)	(36)	-	(1,525)	-	-	-	-	-	-	2,341	-
N1	Issuance of employee stock options	-	-	-	-	2,052	-	-	-	-	-	-	2,052
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	1,789	-	(1,789)	-	-
Z1	Balance as of December 31, 2025	<u>\$577,058</u>	<u>\$26,720</u>	<u>\$ 173</u>	<u>\$ 10,515</u>	<u>\$ 2,052</u>	<u>\$ 225,303</u>	<u>\$ 14,229</u>	<u>\$ 340,249</u>	<u>(\$ 1,652)</u>	<u>(\$ 26,863)</u>	<u>\$ -</u>	<u>\$1,167,784</u>

The accompanying notes are an integral part of these consolidated financial statements.

RUBY TECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and 2024

		Unit: NT\$ thousand	
Code		2025	2024
Cash Flows from Operating Activities			
A10000	Net profit before tax for the year	\$ 179,970	\$ 168,314
A20010	Income and expense items:		
A20100	Depreciation expense	15,766	15,173
A20200	Amortization expense	1,149	1,528
A20300	Expected credit impairment losses (reversal gains)	10	(37)
A20400	Net (gains) losses on financial assets at fair value through profit or loss	(8,348)	10,330
A20900	Finance costs	56	48
A21200	Interest income	(12,010)	(12,321)
A21300	Dividend income	(1,045)	(1,355)
A21900	Share-based compensation expense	2,052	-
A22500	Gain on disposal of property, plant and equipment	-	(9)
A23700	(Reversal gain) loss for inventory depreciation and slow-moving inventories	(12,307)	3,321
A24100	Unrealized foreign exchange net gains	(1,928)	(4,309)
A29900	(Reversal of) provisions for liabilities	(706)	611
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	528	3,019
A31150	Accounts receivable	17,552	171,610
A31180	Other receivables	(293)	29,394
A31200	Inventories	49,702	170,329
A31240	Other current assets	1,382	(1,435)
A32125	Contract liabilities - current	919	5,249
A32130	Notes payable	12,335	(47,102)
A32150	Accounts payable	16,516	(72,820)
A32180	Other payables	(4,041)	(26,823)
A32230	Other current liabilities	119	(368)
A32240	Net defined benefit plans	(1,011)	(8,601)
A33000	Cash generated from operations	256,367	403,746
A33100	Interest income	11,914	12,260
A33300	Interest paid	(56)	(48)
A33500	Income tax paid	(16,674)	(89,937)
AAAA	Net cash flows from operating activities	<u>251,551</u>	<u>326,021</u>
Cash Flows from Investing Activities			
B00010	Acquisitions of financial assets at fair value through other comprehensive income	(13,358)	(47,733)
B00020	Disposal of financial assets at fair value through other comprehensive income	7,659	13,968
B00040	Acquisitions of financial assets measured at amortized cost	(318,545)	(423,040)
B00050	Disposal of financial assets measured at amortized cost	289,430	311,516
B00100	Acquisitions of financial assets at fair value through profit or loss	(512)	(173)
B00200	Disposal of financial assets at fair value through profit or loss	4,311	-
B02700	Procurement of property, plant, and equipment	(4,007)	(23,649)
B02800	Proceeds from disposal of property, plant, and equipment	-	9
B03700	Increase in refundable deposits	(516)	-
B03800	Decrease in refundable deposits	-	186
B04500	Procurement of intangible assets	(817)	(1,312)
B07600	Receipt other dividends	1,045	1,355
BBBB	Net cash flows used in investing activities	<u>(35,310)</u>	<u>(168,873)</u>
Cash Flows from Financing Activities			
C03000	Guarantee deposits received	1	1
C04020	Repayment of the principal portion of lease liabilities	(4,324)	(4,717)
C04500	Distribution of cash dividends	(126,953)	(168,075)
CCCC	Net cash flows used in financing activities	<u>(131,276)</u>	<u>(172,791)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>136</u>	<u>1,560</u>
EEEE	Net increase (decrease) in cash and cash equivalents	85,101	(14,083)
E00100	Cash and cash equivalents at the beginning of the year	<u>272,248</u>	<u>286,331</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 357,349</u>	<u>\$ 272,248</u>

The accompanying notes are an integral part of these consolidated financial statements.

RUBY TECH CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2025 and 2024

(Unless otherwise noted, amounts are in thousands of New Taiwan dollars)

1. Company History

Ruby Tech Corporation (hereinafter referred to as the “Company”) was established in Taipei in July 1981, and commenced operations in the same month, with its principal business being the research, manufacturing, and trading of optical fiber network equipment for central offices and customer premises, network management switches, and outdoor wireless networking equipment.

The company’s shares have been traded on the TPEx since September 8, 2009.

The consolidated financial statements are expressed in New Taiwan dollars, which is the functional currency of the Company.

2. Date and Procedures for Approving Financial Reports

The consolidated financial report was approved by the Board of Directors on March 11, 2026.

3. New Standards, Amendments and Interpretations Adoptions

- (1) First-time adoption of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Standing Interpretations Committee (SIC) (collectively, “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as “FSC”).

The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of the merged company.

- (2) The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New/Amendment/Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7: “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7: “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “ Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

Amendments to IFRS 9 and IFRS 7: “Amendments to the Classification and Measurement of Financial Instruments”

1. Amendments to the application guidance on the classification of financial assets

The amendments primarily revise the classification criteria for financial assets, including:

- (1) If a financial asset includes a contingent feature that alters the timing or amount of contractual cash flows, and the nature of this contingency is not directly linked to changes in basic lending risks and costs (e.g., whether the debtor meets a specific carbon emission reduction target), such a financial asset can still be classified as solely payments of principal and interest (SPPI) on the principal amount outstanding, provided it meets the following two conditions:
 - All possible scenarios (both before and after the occurrence of the contingency) result in contractual cash flows that are solely payments of principal and interest on the principal amount outstanding; and
 - The contractual cash flows under all possible scenarios do not differ significantly from the cash flows of a financial instrument with the same contractual terms but without the contingent feature.
- (2) Stipulates that financial assets with non-recourse rights refer to the business's ultimate right to collect cash flows, which is contractually limited to cash flows generated by specific assets.
- (3) Clarifies that contract-linked instruments establish multiple layers of securities through a waterfall payment structure to establish the payment priorities of financial asset holders. This creates a concentration of credit risk and results in disproportionate distribution of cash shortfalls from the underlying pool across various levels of securities.

2. Amendments to the application guidance on the derecognition of financial liabilities

The amendments stipulate that financial liability shall be derecognized on the settlement date; however, when an entity uses an electronic payment system to settle a financial liability in cash, the liability may be derecognized before the settlement date if the following conditions are met:

- The entity does not have the practical ability to withdraw, stop, or cancel the payment instruction;
- The entity does not have the practical ability to access the cash that will be used for settlement due to the payment instruction; and
- The settlement risk associated with the electronic payment system is not significant.

The merged company should apply the amendments retroactively but there is no need to restate the comparative periods. The impact of the initial application should be recognized on the date of the initial application. However, if the business chooses to restate without using hindsight, it may choose to restate the comparative period.

As of the approval date of the consolidated financial statements, the merged company is still in the process of evaluating the impact of the amendment on its financial position and financial performance.

- (3) The IFRS Accounting Standards issued by the IASB but not yet endorsed and issued into effect by the FSC:

<u>New/Amendment/Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be confirmed
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless otherwise stated, the newly issued/amended/revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

1. Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

If the merged company sells or contributes assets to an associate (or joint venture), or if the merged company loses control over a subsidiary but retains significant influence (or joint control) over that subsidiary, and if the aforementioned assets or former subsidiary meet the definition of a “business” under IFRS 3 “Business Combinations,” the merged company shall fully recognize the gains or losses arising from such transactions.

Furthermore, if the merged company sells or contributes assets to an associate (or a joint venture), or if the merged company loses control of a subsidiary in a transaction with an associate (or a joint venture) while retaining significant influence (or joint control) over the subsidiary, and if the aforementioned assets or the former subsidiary do not meet the definition of a “business” under IFRS 3, the merged company shall recognize the resulting gain or loss only to the extent of the unrelated investors’ interests in that associate (or joint venture), i.e., the portion of the gain or loss attributable to the interest of the merged company shall be eliminated.

2. IFRS 18 “Presentation and Disclosure in Financial Statements” and related consequential amendments

IFRS 18, “Presentation and Disclosure in Financial Statements,” replaces IAS 1, “Presentation of Financial Statements.” Here are the main points regarding the replacement of IAS 1:

- The merged company is required to assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers. Based on this assessment, items of income and expenses presented in the statement of profit or loss are classified into the operating, investing, financing, income tax, and discontinued operations categories.
- The income statement should present totals and subtotals, including operating profit or loss, profit or loss before financing and income tax, and profit or loss.
- Guidance for Aggregation and Disaggregation: The merged company should identify and classify assets, liabilities, equity, income, expenses, and cash flows based on shared characteristics. This ensures each line item in the primary financial statements shares at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in both the primary financial statements and notes. The label "other" should only be used when no more informative label is available.
- Increased Disclosure of Management-Defined Performance Measures: The merged company communicates its management's view of an aspect of its overall financial performance, it should disclose this in a single note within the financial statements. This note should include a description of the measure, how it is calculated, a reconciliation to the most directly comparable IFRS-specified subtotal or total, and the effects of tax and non-controlling interests on the reconciling items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The merged company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the merged company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the merged company has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

In addition to the aforementioned effects, as of the approval date of the consolidated financial statements, the merged company is still in the process of evaluating the other impacts of each amendment to standards and interpretations on its financial position and financial performance. The relevant impacts will be disclosed upon completion of the assessment.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS Accounting Standards as endorsed and issued into effect by the FSC.

(2) Basis of Preparation

Except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of plan assets, these consolidated financial statements have been prepared on the historical cost basis.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3 inputs are unobservable inputs for an asset or liability.

(3) The Criteria for Classification of Assets and Liabilities as Current or Non-Current

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted for exchange or settlement of liabilities due after more than 12 months from the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;

2. Liabilities due for settlement within 12 months after the balance sheet date; and
3. Liabilities for which the merged company does not have the substantial right at the balance sheet date to defer settlement for at least 12 months after the balance sheet date.

Assets or liabilities that are not classified as current assets or current liabilities are classified as non-current assets or non-current liabilities.

(4) Merger Basis

This consolidated financial statement includes the financial statements of the Company and entities controlled by the Company (subsidiaries). The financial statements of the subsidiaries have been adjusted to align their accounting policies with those of the merged company. In preparing the consolidated financial statements, all intra-group transactions, account balances, revenues, and expenses have been fully eliminated.

When the change in the ownership interest of a subsidiary does not result in a loss of control for the merged company, it is accounted for as an equity transaction. The carrying amounts of the merged company's equity and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Details of subsidiaries, shareholding ratios, and business operations are provided in Note 12 and Appendix 2.

(5) Foreign Currency

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, foreign currency monetary items are translated at the closing rate of exchange. Exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising on the translation of such items are recognized in profit or loss for the period, except for exchange differences arising on the translation of items whose fair value changes are recognized in other comprehensive income, in which case such exchange differences are recognized in other comprehensive income.

At the cost of historical measurement, foreign currency non-monetary items are translated at the exchange rates prevailing on the transaction dates and are not restated.

When preparing consolidated financial statements, the assets and liabilities of the Company and its foreign operations are translated into New Taiwan Dollars at the exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, and the resulting exchange differences are recognized in other comprehensive income.

(6) Inventories

Inventories consist of merchandise, finished goods, work in progress, and raw materials. Inventories are measured at the lower of cost and net realizable value. The comparison between cost and net realizable value is conducted on an item-by-item basis, except for items within the same category of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories is calculated using the weighted-average method.

(7) Property, Plant and Equipment

Property, plant and equipment are initially recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Except for self-owned land, which is not depreciated, property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant portion. The merged company reviews the estimated useful life, residual value and depreciation method at least at the end of each year, and defers the impact of changes in applicable accounting estimates.

When property, plant and equipment are derecognized, the difference between the net disposal proceeds and the carrying amount of the assets is recognized in profit or loss for the current period.

(8) Intangible Assets

1. Acquired Separately

Intangible assets with finite useful lives acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their estimated useful lives, and the merged company reviews the estimated useful lives, residual values, and amortization methods at the end of each year, and prospectively applies the effects of changes in accounting estimates. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

2. Derecognition

When an intangible asset is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss for the current period.

(9) Impairment of Property, Plant and Equipment, Right-Of-Use Assets and Intangible Assets

The merged company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets, and intangible assets may be impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If it is not possible to estimate the recoverable amount of an individual asset, the merged company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

For intangible assets with indefinite useful lives, impairment tests are conducted at least annually and whenever there is an indication of impairment.

The recoverable amount is the higher of fair value less costs to sell and its value in use. When the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, the carrying amount of that asset or cash-generating unit is reduced to its recoverable amount, and an impairment loss is recognized in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years, net of amortization or depreciation. A reversal of an impairment loss is recognized in profit or loss.

(10) Financial Instruments

The financial assets and financial liabilities are recognized on the consolidated balance sheets when the merged company becomes a party to the contractual provisions of the instrument.

When originally recognizing financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus directly attributable transaction costs incurred in acquiring or issuing the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial Assets

The conventional trading of financial assets adopts trade date accounting for recognition and derecognition.

(1) Types of Measurement

The types of financial assets held by the merged company are financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, and investments in equity instruments measured at fair value through other comprehensive income.

A. Financial Assets Measured at Fair Value Through Profit or Loss

Financial assets measured at fair value through profit or loss include financial assets mandatorily measured at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments not designated as at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value, with dividends and interest recognized as other income and interest income, respectively, while remeasurement gains or losses are recognized as other gains and losses. For the determination of fair value, please refer to Note 29.

B. Financial Assets Measured at Amortized Cost

The following sentence is classified as financial assets measured at amortized cost If the merged company's investments in financial assets meet the following two conditions simultaneously:

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

Financial assets measured at amortized cost (including cash and cash equivalents, current financial assets measured at amortized cost, notes receivable, accounts receivable and other receivables) are measured at amortized cost less any impairment loss after initial recognition, with any foreign exchange gain or loss recognized in profit or loss, using the effective interest method to determine the total carrying amount.

Except for the following two situations, interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

- a. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.
- b. For financial assets that were not purchased or originated as credit-impaired, but subsequently became credit-impaired, interest income should be calculated by applying the effective interest rate to the amortized cost of the financial assets from the reporting period after the credit impairment occurred.

Cash equivalents include time deposits and securities sold under repurchase agreements that are highly liquid and can be converted into fixed amounts of cash at any time with minimal risk of value changes within three months from the date of acquisition, and are used to meet short-term cash commitments.

C. Equity Investments Measured at Fair Value Through Other Comprehensive Income

At the time of initial recognition, the merged company may make an irrevocable election to designate investments in equity instruments that are not held for trading and not contingent consideration recognized by an acquirer in a business combination as at fair value through other comprehensive income.

The investments in equity instruments measured at fair value through other comprehensive income are measured at fair value, with subsequent fair value changes presented in other comprehensive income and accumulated in other equity. Upon disposal of the investments, the accumulated gains or losses are directly transferred to retained earnings, not reclassified to profit or loss.

The dividend from investment in equity instruments measured at fair value through other comprehensive income is recognized in profit or loss when the merged company's right to receive payment is established, unless the dividend clearly represents a recovery of part of the investment cost.

(2) Impairment of Financial Assets

The merged company assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable) based on expected credit losses on each balance sheet date.

Accounts receivable is recognized with an allowance for expected credit losses over the remaining period. For other financial assets, an assessment is made at each reporting date as to whether the credit risk has increased significantly

since initial recognition. If credit risk has not increased significantly, an allowance for 12-month expected credit losses is recognized.

The expected credit loss is a weighted average credit loss with the risk of default as the weight. The 12-month expected credit loss represents the expected credit loss arising from possible default events within 12 months after the reporting date of the financial instrument, while the lifetime expected credit loss represents the expected credit losses arising from all possible default events over the expected life of the financial instrument.

For internal credit risk management purposes, the merged company determines that the following situations represent a default of a financial asset without taking into account any collateral held:

- A. There is internal or external information indicating that it is no longer probable that the debtor will be able to pay its credit obligations in full.
- B. Over 180 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

With respect to impairment of financial assets, impairment losses on all financial assets are deducted through an allowance account from their carrying amounts, except for investments in equity instruments measured at fair value through other comprehensive income, for which the impairment loss is recognized in other comprehensive income and does not reduce the carrying amount.

(3) Derecognition of Financial Assets

The merged company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another enterprise.

When a financial asset measured at amortized cost is derecognized in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss. Upon derecognition of an investment in an equity instrument measured at fair value through other comprehensive income in its entirety, the cumulative gain or loss is directly transferred to retained earnings without reclassification to profit or loss.

2. Financial Liabilities

(1) Subsequent Measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of Financial Liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(11) Provisions for Liabilities

The amount recognized as a provision for liabilities is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Provisions are measured at the present value of the estimated cash flows required to settle the obligation.

The obligation for product warranty to ensure that products comply with agreed-upon specifications is recognized as revenue for the related goods is recognized, based on management's best estimate of the expenditure required to settle the merged company's obligation.

(12) Recognition of Revenue

After identifying the performance obligations in customer contracts, the merged company will allocate the transaction price to the various performance obligations and recognize revenue as each performance obligation is satisfied.

1. Sales of Goods Revenue

Revenue from the sale of goods is derived from the sale of optical fiber network equipment. Since after fulfilling the transaction terms for optical fiber network equipment products, customers have determined pricing and usage rights for the goods and bear the primary responsibility for resale, as well as the risk of obsolescence, the merged company recognizes revenue and accounts receivable at that point. Advance receipts from product sales are recognized as contract liabilities prior to satisfying the performance obligations under the transaction terms.

During toll processing, the control of ownership over the processed products does not transfer, so revenue is not recognized at the time of toll processing.

2. Provision of Services

The services revenue is derived from commodity inspection services revenue, which is recognized when the services are rendered.

(13) Leases

The merged company assesses whether a contract is or contains a lease on the date of establishment of the contract.

1. The Merged Company as the Lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under operating leases, lease payments, net of lease incentives received, are recognized as income on a straight-line basis over the respective lease terms.

2. The Merged Company as the Lessee

Except for low-value asset leases and short-term leases to which recognition exemptions apply, and for which lease payments are recognized as an expense on a straight-line basis over the lease term, right-of-use assets and lease liabilities are recognized for all other leases at the commencement date of the lease.

The right-of-use assets are initially measured at cost (including the initial measurement amount of the lease liabilities, lease payments made before the lease commencement date less any lease incentives received, initial direct costs, and estimated costs for restoring the underlying asset), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, with adjustments for any remeasurement of the lease liabilities. Right-of-use assets are presented separately in the consolidated balance sheets.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments (including fixed payments). If the interest rate implicit in the lease is readily determinable, the lease payments are discounted using that rate. If that rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, the lease liabilities are measured at amortized cost using the effective interest method, and interest expenses are allocated over the lease term. The lease liability is presented separately on the consolidated balance sheets.

(14)Employee Benefits

1. Short-Term Employee Benefits

The short-term employee benefits related liabilities are measured at the undiscounted amount of the consideration expected to be paid in exchange for that service rendered by employees.

2. Retirement Benefits

The retirement benefits under the defined contribution pension plan are recognized as expenses when employees have rendered services entitling them to the contributions.

The defined benefit costs (including service cost, net interest, and remeasurements) of the defined benefit retirement plan are actuarially calculated using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense when incurred. Remeasurements (including actuarial gains and losses and return on plan assets excluding interest) are recognized in other comprehensive income and included in retained earnings when incurred, and will not be reclassified to profit or loss subsequently.

The net defined benefit liability (asset) is the deficit (surplus) of the defined benefit retirement plan. The net defined benefit asset may not exceed the present value of any available future refund or reduction in contributions to the plan.

(15) Share-Based Payment Arrangements

Employee stock option plans

Employee stock options are expensed over the vesting period on a straight-line basis, based on the fair value of the equity instruments at the grant date and the best estimate of the number of options expected to vest. A corresponding credit is made to capital surplus—employee stock options. If the options vest immediately on the grant date, the expense is recognized in full on that date.

For the merged company's employee stock options, the grant date is defined as the date on which the grant is approved by the Board of Directors.

The merged company revises its estimate of the number of options that are expected to vest at each balance sheet date. The impact of the revision to original estimates, if any, is recognized in profit or loss, so that the cumulative expense reflects the revised estimate, with a corresponding adjustment to capital surplus—employee stock options.

(16) Income Tax

The income tax expense is the sum of current income tax and deferred income tax.

1. Current Income tax

In accordance with the laws and regulations established by each income tax filing jurisdiction, the merged company determines its current income and calculates the income tax payable accordingly.

According to the Income Tax Act of the Republic of China, the undistributed earnings additional tax is recognized in the year of shareholders' resolution.

The adjustment of prior years' income tax payable is included in the current income tax.

2. Deferred Tax

Deferred income tax is calculated based on the temporary differences between the carrying amounts of assets and liabilities and their respective tax bases used in the computation of taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the merged company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets relating to such investments are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Deferred tax assets that were previously unrecognized are also reviewed at each balance sheet date, and the carrying amount is increased to the extent that it has become probable that future taxable profit will allow the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted as of the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the merged company expects to recover or settle the carrying amount of its assets and liabilities at the balance sheet date.

3. Current and Deferred Income Taxes

The current and deferred income taxes shall be recognized in profit or loss, except for those related to items recognized in other comprehensive income or directly in equity, which shall be respectively recognized in other comprehensive income or directly in equity.

5. Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

In applying accounting policies, management of the merged company is required to make judgments, estimates and assumptions about matters that are inherently uncertain due to a lack of available information from other sources, based on historical experience and other relevant factors. Actual results may differ from these estimates.

When developing significant accounting estimates, the merged company considers the potential impact of U.S. reciprocal tariff measures on cash flow projections, growth rates, discount rates, and profitability, among other significant estimates. The management will continually review the estimates and basic assumptions. If the modification of estimates affects only the current period, it is recognized in the period of modification; if the modification of accounting estimates affects both the current period and future periods, it is recognized in the period of modification and future periods.

Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

Impairment of Inventories

The net realizable value of inventories is estimated based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale, which is estimated based on current market conditions and historical sales experience of similar products. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on hand and working capital	\$ 348	\$ 369
Checks and demand deposits	36,954	32,416
Cash equivalents		
Bank time deposits with an original maturity within 3 months	159,900	84,850
Securities sold under repurchase agreements	<u>160,147</u>	<u>154,613</u>
	<u>\$ 357,349</u>	<u>\$ 272,248</u>

The market interest rate ranges for bank deposits and securities sold under repurchase agreements on the balance sheet date are as follows:

	December 31, 2025	December 31, 2024
Cash in banks	0.005%~1.60%	0.005%~1.46%
Securities sold under repurchase agreements	1.42%~3.80%	1.33%~4.75%

7. Current Financial Assets Measured at Fair Value Through Profit or Loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Domestic investment</u>		
Domestic listed (OTC) and emerging shares	\$ 8,371	\$ 5,099
Domestic unlisted shares	<u>19,642</u>	<u>18,365</u>
	<u>\$ 28,013</u>	<u>\$ 23,464</u>

The merged company recognized dividend income of \$521 thousand for the year ended December 2024, which was entirely related to investments still held as of December 31, 2024.

8. Current Financial Assets Measured at Fair Value Through Other Comprehensive Income

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Domestic investment</u>		
Domestic listed (OTC) and emerging shares	\$ 38,988	\$ 39,218
Domestic unlisted shares	<u>30,915</u>	<u>21,820</u>
Subtotal	<u>69,903</u>	<u>61,038</u>
<u>Overseas investment</u>		
Overseas unlisted shares	<u>2,108</u>	<u>19,393</u>
	<u>\$ 72,011</u>	<u>\$ 80,431</u>

The merged company invests in accordance with its medium- and long-term strategic purposes and expects to make profits through long-term investment. The management of the merged company believes that recognizing short-term fluctuations in fair value of these investments in profit or loss would be inconsistent with the aforementioned long-term investment plans. Therefore, they choose to designate these investments as measured at fair value through other comprehensive income.

The merged company recognized dividend income of \$1,045 thousand and \$834 thousand for the years ended December 31, 2025 and 2024, respectively, which were entirely related to investments still held as of December 31, 2025 and 2024, respectively.

9. Current Financial Assets Measured at Amortized Cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Time deposits with original maturities over 3 months (1)	\$ 372,616	\$ 343,493
Pledged time deposit certificates (2)	<u>16,000</u>	<u>16,000</u>
	<u>\$ 388,616</u>	<u>\$ 359,493</u>

(1) As of December 31, 2025 and 2024, the range of interest rates on time deposits with original maturities over 3 months were 0.95% to 1.78% and 1.10% to 1.745% per annum, respectively.

- (2) As of December 31, 2025 and 2024, the interest rate ranges for pledged time deposits were 1.285% to 1.69% per annum. For information on pledged financial assets measured at amortized cost, refer to Note 31.

10. Notes Receivable, Accounts Receivable and Other Receivables

	December 31, 2025	December 31, 2024
<u>Notes receivable</u>		
Arising from operations	\$ -	\$ 528
<u>Accounts receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 170,331	\$ 185,576
Less: Allowance for loss	(2,117)	(2,078)
	<u>\$ 168,214</u>	<u>\$ 183,498</u>
<u>Other receivables</u>		
Tax refund receivable - business tax	\$ 4,027	\$ 3,734
Others	<u>2,020</u>	<u>325</u>
	6,047	4,059
Less: Allowance for loss	-	-
	<u>\$ 6,047</u>	<u>\$ 4,059</u>

Accounts receivable

The merged company's average credit period for sales of goods and finished products ranges from 30 to 60 days. The policy adopted by the merged company is to rate major customers using available financial information and historical transaction records.

To mitigate credit risk, the management of the merged company has assigned a dedicated unit responsible for determining credit limits, approving credit, and other monitoring procedures to ensure appropriate actions have been taken to recover overdue receivables. Additionally, the merged company reviews the recoverable amount of each receivable on the balance sheet date to ensure that appropriate impairment losses have been recognized for uncollectible receivables. When necessary, the merged company also purchases accounts receivable credit insurance to reduce the risk of financial losses arising from delinquencies. Consequently, the management of the merged company believes that its credit risk has been significantly reduced.

The merged company adopts the simplified approach under IFRS 9 to recognize the allowance for credit losses for accounts receivable based on expected credit losses over the duration. Expected credit losses over the duration are calculated using a provision matrix that considers the customer's past default records, current financial position, industry economic situation, and also takes into account GDP forecasts and industry prospects. As the merged company's credit loss experience shows no significant difference in the loss pattern across different customer groups, the provision matrix is not further differentiated by customer groups, but is determined

by the expected credit loss rate solely based on the number of days accounts receivable are passed due.

If there is evidence that the counterparty is in severe financial difficulty and the merged company cannot reasonably expect to recover the amount, for example, if the counterparty is undergoing liquidation or the debt is overdue for more than 180 days, the merged company recognizes a 100% allowance for credit losses. However, the merged company continues its pursuit for recovery, and any amount recovered is recognized in profit or loss.

Based on the provision matrix, the merged company measures the allowance for credit losses on accounts receivable as follows:

December 31, 2025

	Not Overdue	1 to 30 Days Overdue	31 to 60 Days Overdue	61 to 90 Days Overdue	91 to 180 Days Overdue	Overdue for More Than 181 Days	Total
Expected credit losses	0.02%	0.11%	1.07%	2.96%	18.36%	100%	
Total carrying amount	\$123,343	\$ 38,493	\$ 6,478	\$ -	\$ 39	\$ 1,978	\$170,331
Allowance for losses (expected credit losses during the duration)	(25)	(41)	(66)	-	(7)	(1,978)	(2,117)
Amortized cost	<u>\$123,318</u>	<u>\$ 38,452</u>	<u>\$ 6,412</u>	<u>\$ -</u>	<u>\$ 32</u>	<u>\$ -</u>	<u>\$168,214</u>

December 31, 2024

	Not Overdue	1 to 30 Days Overdue	31 to 60 Days Overdue	61 to 90 Days Overdue	91 to 180 Days Overdue	Overdue for More Than 181 Days	Total
Expected credit losses	0.02%	0.11%	1.09%	3.12%	20.17%	100%	
Total carrying amount	\$168,094	\$ 10,120	\$ 5,365	\$ 19	\$ -	\$ 1,978	\$185,576
Allowance for losses (expected credit losses during the duration)	(33)	(11)	(56)	-	-	(1,978)	(2,078)
Amortized cost	<u>\$168,061</u>	<u>\$ 10,109</u>	<u>\$ 5,309</u>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$183,498</u>

The changes in allowance for doubtful accounts are as follows:

	2025	2024
Balance at the beginning of the year	\$ 2,078	\$ 2,172
Add: Provision for (reversal of) impairment losses in the current year	<u>39</u>	(94)
Balance at the end of the year	<u>\$ 2,117</u>	<u>\$ 2,078</u>

Compared to the beginning balance, the total carrying amount of accounts receivable decreased by \$15,245 thousand and \$168,130 thousand as of December 31, 2025 and 2024, respectively, and the allowance for losses increased by \$39 thousand and decreased by \$94 thousand, respectively.

Other receivables

The other receivables of the merged company as of December 31, 2025 and 2024 were primarily tax refund receivable. Except for tax refund receivable, the remaining receivables were mainly within 90 days (based on the entry date).

The merged company measures the allowance for doubtful accounts for other receivables based on the probability of collection. After evaluating the probability of collection, it is unlikely that the accounts will be uncollectible, so no allowance for doubtful accounts is required.

11. Inventories

	December 31, 2025	December 31, 2024
Merchandise	\$ 2,335	\$ 698
Finished goods	9,029	50,908
Work in progress	25,392	16,101
Raw materials	<u>91,379</u>	<u>97,823</u>
	<u>\$ 128,135</u>	<u>\$ 165,530</u>

The nature of cost of goods sold is as follows:

	2025	2024
Cost of goods sold	\$ 643,263	\$ 673,092
(Reversal gain) loss for inventory depreciation and slow-moving inventories	(<u>12,307</u>)	<u>3,321</u>
	<u>\$ 630,956</u>	<u>\$ 676,413</u>

The net realizable value of inventories increased in the year ended December 31, 2025 due to inventory destocking. The net realizable value of inventories decreased in the year ended December 31, 2024 due to the recognition of inventory valuation losses resulting from an increase in the age of inventories.

12. Subsidiaries

Subsidiaries included in the consolidated financial statements

The entities that shall be included in the consolidated financial statements are as follows:

Name of Investee	Name of Subsidiaries	Business Nature	Percentage of Shareholding	
			December 31, 2025	December 31, 2024
Ruby Tech Corporation	GRAND IMPACT TECHNOLOGY LIMITED	Investment in related businesses	100%	100%
GRAND IMPACT TECHNOLOGY LIMITED	Ruby Tech (Beijing) Co., Ltd.	Computer peripheral equipment trading business	100%	100%

13. Property, Plant and Equipment

	Self-Owned Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Lease Improvements	Other Equipment	Total
<u>Cost</u>								
Balance as of January 1, 2025	\$185,892	\$ 97,331	\$ 36,766	\$ 2,780	\$ 15,239	\$ 974	\$ 37,062	\$376,044
Addition	-	834	1,723	-	709	-	741	4,007
Disposal	-	-	(203)	-	(803)	-	(626)	(1,632)
Net exchange differences	-	39	-	-	1	-	-	40
Balance as of December 31, 2025	<u>\$185,892</u>	<u>\$ 98,204</u>	<u>\$ 38,286</u>	<u>\$ 2,780</u>	<u>\$ 15,146</u>	<u>\$ 974</u>	<u>\$ 37,177</u>	<u>\$378,459</u>
<u>Accumulated Depreciation</u>								
Balance as of January 1, 2025	\$ -	\$ 42,422	\$ 27,010	\$ 1,325	\$ 9,051	\$ 974	\$ 24,197	\$104,979
Depreciation expense	-	4,036	3,196	463	1,229	-	2,511	11,435
Disposal	-	-	(203)	-	(803)	-	(626)	(1,632)
Net exchange differences	-	55	-	-	1	-	-	56
Balance as of December 31, 2025	<u>\$ -</u>	<u>\$ 46,513</u>	<u>\$ 30,003</u>	<u>\$ 1,788</u>	<u>\$ 9,478</u>	<u>\$ 974</u>	<u>\$ 26,082</u>	<u>\$114,838</u>
Net amount as of December 31, 2025	<u>\$185,892</u>	<u>\$ 51,691</u>	<u>\$ 8,283</u>	<u>\$ 992</u>	<u>\$ 5,668</u>	<u>\$ -</u>	<u>\$ 11,095</u>	<u>\$263,621</u>
<u>Cost</u>								
Balance as of January 1, 2024	\$185,892	\$ 86,333	\$ 39,654	\$ 5,274	\$ 12,069	\$ 974	\$ 38,880	\$369,076
Addition	-	12,400	2,268	1,160	4,451	-	3,370	23,649
Disposal	-	(2,779)	(5,156)	(3,654)	(1,320)	-	(5,188)	(18,097)
Net exchange differences	-	1,377	-	-	39	-	-	1,416
Balance as of December 31, 2024	<u>\$185,892</u>	<u>\$ 97,331</u>	<u>\$ 36,766</u>	<u>\$ 2,780</u>	<u>\$ 15,239</u>	<u>\$ 974</u>	<u>\$ 37,062</u>	<u>\$376,044</u>
<u>Accumulated Depreciation</u>								
Balance as of January 1, 2024	\$ -	\$ 41,757	\$ 28,879	\$ 4,532	\$ 9,492	\$ 974	\$ 26,342	\$111,976
Depreciation expense	-	2,840	3,287	447	844	-	3,043	10,461
Disposal	-	(2,779)	(5,156)	(3,654)	(1,320)	-	(5,188)	(18,097)
Net exchange differences	-	604	-	-	35	-	-	639
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ 42,422</u>	<u>\$ 27,010</u>	<u>\$ 1,325</u>	<u>\$ 9,051</u>	<u>\$ 974</u>	<u>\$ 24,197</u>	<u>\$104,979</u>
Net amount as of December 31, 2024	<u>\$185,892</u>	<u>\$ 54,909</u>	<u>\$ 9,756</u>	<u>\$ 1,455</u>	<u>\$ 6,188</u>	<u>\$ -</u>	<u>\$ 12,865</u>	<u>\$271,065</u>

For the years ended December 31, 2025 and 2024, as there were no indications of impairment, the merged company did not perform an impairment assessment.

The depreciation expenses are provided on a straight-line basis over the following estimated useful lives:

Buildings

Plant main buildings 21 - 50 years

Electromechanical power equipment 5 - 8 years

Engineering systems 3 - 5 years

Parking lot 18 years

Machinery and equipment 3 - 5 years

Transportation equipment 5 years

Office equipment 3 - 8 years

Lease improvements Over the shorter of the useful life or lease term

Other equipment 3 years

14. Lease Agreements

(1) Right-of-use assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of right-of-use asset		
Buildings	\$ 4,254	\$ 1,457
Transportation equipment	<u>2,778</u>	<u>182</u>
	<u>\$ 7,032</u>	<u>\$ 1,639</u>
	2025	2024
Additions to right-of-use assets	<u>\$ 9,724</u>	<u>\$ -</u>
Depreciation expense of right-of-use assets		
Buildings	\$ 3,593	\$ 4,376
Transportation equipment	<u>738</u>	<u>336</u>
	<u>\$ 4,331</u>	<u>\$ 4,712</u>

In addition to the increases and recognition of depreciation expenses as listed above, the merged company did not experience any significant subleases or impairment of its right-of-use assets for the years ended December 31, 2025 and 2024.

(2) Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of lease liabilities		
Current	<u>\$ 4,301</u>	<u>\$ 1,649</u>
Non-current	<u>\$ 2,748</u>	<u>\$ -</u>

The discount rate range for lease liabilities is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Buildings	1.25%	1.00%
Transportation equipment	1.25%	0.75%

The merged company leased several buildings for use as factories, with a lease term of 2 years. At the end of the lease term, the merged company does not have the preferential right to purchase the leased buildings, and it is agreed that without the consent of the lessor, the merged company shall not sublease, transfer, assign or use the leased property in whole or in part by others in any other way.

The merged company also leases transportation equipment for use as official vehicles, with a lease term of 3 years.

(3) Other lease information

	<u>2025</u>	<u>2024</u>
Short-term lease expense	\$ 14	\$ 1,044
Low-value asset lease expense	\$ 92	\$ 91
Total cash outflow from leases	\$ 4,486	\$ 5,892

The merged company chose to apply the recognition exemption for short-term leases of buildings and low-value asset leases of certain office equipment, without recognizing the related right-of-use assets and lease liabilities for those leases.

15. Other Intangible Assets

	<u>Trademarks</u>	<u>Patents</u>	<u>Computer Software Cost</u>	<u>Golf Club Membership Certificate</u>	<u>Total</u>
<u>Cost</u>					
Balance as of January 1, 2025	\$ 500	\$ 1,705	\$ 20,113	\$ 2,900	\$ 25,218
Acquired separately	-	-	817	-	817
Disposal	-	-	(683)	-	(683)
Balance as of December 31, 2025	<u>\$ 500</u>	<u>\$ 1,705</u>	<u>\$ 20,247</u>	<u>\$ 2,900</u>	<u>\$ 25,352</u>
<u>Accumulated amortization</u>					
Balance as of January 1, 2025	\$ 500	\$ 610	\$ 19,283	\$ -	\$ 20,393
Amortization expense	-	93	1,056	-	1,149
Disposal	-	-	(683)	-	(683)
Balance as of December 31, 2025	<u>\$ 500</u>	<u>\$ 703</u>	<u>\$ 19,656</u>	<u>\$ -</u>	<u>\$ 20,859</u>
Net amount as of December 31, 2025	<u>\$ -</u>	<u>\$ 1,002</u>	<u>\$ 591</u>	<u>\$ 2,900</u>	<u>\$ 4,493</u>
<u>Cost</u>					
Balance as of January 1, 2024	\$ 500	\$ 1,705	\$ 27,499	\$ 2,900	\$ 32,604
Acquired separately	-	-	1,312	-	1,312
Disposal	-	-	(8,698)	-	(8,698)
Balance as of December 31, 2024	<u>\$ 500</u>	<u>\$ 1,705</u>	<u>\$ 20,113</u>	<u>\$ 2,900</u>	<u>\$ 25,218</u>
<u>Accumulated amortization</u>					
Balance as of January 1, 2024	\$ 500	\$ 517	\$ 26,546	\$ -	\$ 27,563
Amortization expense	-	93	1,435	-	1,528
Disposal	-	-	(8,698)	-	(8,698)
Balance as of December 31, 2024	<u>\$ 500</u>	<u>\$ 610</u>	<u>\$ 19,283</u>	<u>\$ -</u>	<u>\$ 20,393</u>
Net amount as of December 31, 2024	<u>\$ -</u>	<u>\$ 1,095</u>	<u>\$ 830</u>	<u>\$ 2,900</u>	<u>\$ 4,825</u>

The merged company's golf club memberships are deemed as rights to use, and the management of the merged company believes that the merged company has the intention and ability to continuously extend the useful life, and thus it is an indefinite-lived intangible asset. Regardless of whether there are any impairment indications, an impairment test is performed annually. The entrance fees of \$2,200 thousand for the golf club memberships are recorded as refundable deposits.

In addition to the recognition of amortization expenses as listed above, the merged company did not experience any significant additions, disposals, or impairments of its other intangible assets for the years ended December 31, 2025 and 2024.

The amortization expenses are provided on a straight-line basis over the following estimated useful lives:

Trademarks	10 years
Patents	10 - 18.58 years
Computer software costs	1 - 4 years

Summarized amortization expenses by function:

	2025	2024
Operating costs	\$ 154	\$ 116
Marketing expenses	169	159
Administrative expenses	459	437
Research and development expenses	<u>367</u>	<u>816</u>
	<u>\$ 1,149</u>	<u>\$ 1,528</u>

16. Other Assets

	December 31, 2025	December 31, 2024
<u>Current</u>		
Prepayments	\$ 6,068	\$ 6,887
Provisional payments	195	52
Others	<u>306</u>	<u>984</u>
	<u>\$ 6,569</u>	<u>\$ 7,923</u>
<u>Non-current</u>		
Refundable deposits	\$ 4,148	\$ 3,632
Overdue receivables	5,675	5,675
Less: Allowance for loss	(<u>5,675</u>)	(<u>5,675</u>)
	<u>\$ 4,148</u>	<u>\$ 3,632</u>

Overdue receivables are collected by the merged company in accordance with legal procedures, and adequate allowances for losses are provided.

17. Notes Payable and Accounts Payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes payable</u>		
Arising from operations	\$ 61,236	\$ 48,901
<u>Accounts payable</u>		
Arising from operations	\$ 64,820	\$ 47,893

The average payment terms for accounts payable by the merged company range from 30 to 90 days. The merged company has established financial risk management policies to ensure that all payables are paid within the pre-agreed credit terms.

18. Other Liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Other payables		
Salaries and bonus payable	\$ 38,997	\$ 37,730
Employees' remuneration payable	26,057	24,733
Leave payment payable	4,305	4,468
Directors' remuneration payable	4,090	3,825
Others	<u>18,762</u>	<u>25,431</u>
	\$ 92,211	\$ 96,187
Other liabilities		
Receivables under custody	\$ 2,465	\$ 2,347
Others	<u>1,031</u>	<u>1,029</u>
	\$ 3,496	\$ 3,376
<u>Non-current</u>		
Guarantee deposits received	\$ 209	\$ 208

19. Liability Provisions - Current

		<u>December 31, 2025</u>	<u>December 31, 2024</u>
Warranty		<u>\$ 1,487</u>	<u>\$ 2,193</u>
	<u>Balance at the beginning of the Year</u>	<u>Provision (Reversal) for the Current Year</u>	<u>Balance at the end of the Year</u>
<u>2025</u>			
Product warranty provision	\$ 2,193	(\$ 706)	\$ 1,487
<u>2024</u>			
Product warranty provision	1,582	611	2,193

The warranty liability reserve is the present value of the merged company's management's best estimate of future economic benefits outflows arising from warranty obligations, based on the terms of the sales contract. This estimate is based on historical warranty experience and adjusted for new materials, process changes, or other events affecting product quality.

20. Retirement Benefit Plans

(1) Defined contribution plans

The pension system applied by the company under the "Labor Pension Act" is a defined contribution retirement plan administered by the government. The Company contributes 6% of employees' monthly salaries to individual accounts at the Bureau of Labor Insurance. Employees of the merged company's subsidiaries in China are members of a retirement benefit plan operated by the Chinese government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund the plan. The merged company's obligation for this government-operated retirement benefit plan is limited to contributing a specified amount.

(2) Defined benefit plans

The Company's pension plan in accordance with the Labor Standards Act of Taiwan is a defined benefit pension plan administered by the government. Employee retirement benefits are calculated based on years of service and the average monthly salaries for the six months before the approved retirement date. The Company contributes an amount equivalent to 3% of employees' total salaries and wages on a monthly basis to the pension fund deposited with the Bank of Taiwan under the name of the Labor Retirement Reserve Supervision Committee. Before the end of each year, if the estimated balance in the pension fund is insufficient to pay pensioners during the next, the Company will make a lump-sum payment by the end of March of the following year to cover the shortfall. Since the pension fund is managed by the Bureau of Labor Funds, Ministry of Labor, the merged company has no right to influence the investment strategy.

The amount included in the consolidated balance sheets arising from the defined benefit plans is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	\$ 32,380	\$ 34,592
Plan asset fair value	(<u>35,126</u>)	(<u>34,378</u>)
Net defined benefit (assets) liabilities	(<u>\$ 2,746</u>)	<u>\$ 214</u>

Changes in net defined benefit (assets) liabilities are as follows:

	Present Value of Defined Benefit Obligation	Plan Asset Fair Value	Net Defined Benefit (Assets) Liabilities
January 1, 2024	\$ 46,545	(\$ 34,095)	\$ 12,450
Service cost			
Service cost for the current period	152	-	152
Interest expense (income)	<u>559</u>	(<u>409</u>)	<u>150</u>
Recognized in profit or loss	<u>711</u>	(<u>409</u>)	<u>302</u>
Remeasurement amount			
Actuarial losses - changes in financial assumptions	(883)	-	(883)
Actuarial losses - experience adjustments	<u>219</u>	(<u>2,971</u>)	(<u>2,752</u>)
Recognized in other comprehensive income	(<u>664</u>)	(<u>2,971</u>)	(<u>3,635</u>)
Contributions by employer	-	(8,903)	(8,903)
Benefits payment	(<u>12,000</u>)	<u>12,000</u>	<u>-</u>
December 31, 2024	<u>34,592</u>	(<u>34,378</u>)	<u>214</u>
Service cost			
Service cost for the current period	152	-	152
Interest expense (income)	<u>546</u>	(<u>543</u>)	<u>3</u>
Recognized in profit or loss	<u>698</u>	(<u>543</u>)	<u>155</u>
Remeasurement amount			
Actuarial gains - changes in financial assumptions	472	-	472
Actuarial losses - experience adjustments	<u>118</u>	(<u>2,539</u>)	(<u>2,421</u>)
Recognized in other comprehensive income	<u>590</u>	(<u>2,539</u>)	(<u>1,949</u>)
Contributions by employer	-	(1,166)	(1,166)
Benefits payment	(<u>3,500</u>)	<u>3,500</u>	<u>-</u>
December 31, 2025	<u>\$ 32,380</u>	(<u>\$ 35,126</u>)	(<u>\$ 2,746</u>)

The amounts recognized in profit or loss for defined benefit plans are aggregated by function as follows:

	2025	2024
Operating costs	\$ 51	\$ 94
Marketing expenses	28	50
Administrative expenses	10	19
Research and development expenses	<u>66</u>	<u>139</u>
	<u>\$ 155</u>	<u>\$ 302</u>

The merged company is exposed to the following risks due to the retirement pension system under the “Labor Standards Act”:

1. Investment Risks: The Bureau of Labor Funds, Ministry of Labor, invests labor retirement funds through self-operation and commissioned operation in domestic and foreign equity securities, debt securities, bank deposits, and other investment targets. However, the allocable amount of the merged company’s plan assets is calculated

based on the returns derived from the local banks' two-year time deposit interest rates or higher.

2. Interest Rate Risk: A decrease in government bond interest rates will increase the present value of the defined benefit obligation; however, the investment returns on debt investments of plan assets will also increase, resulting in a partial offsetting effect on the net defined benefit (assets) liabilities.
3. Salary Risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. Therefore, an increase in the salaries of the plan participants will lead to an increase in the present value of the defined benefit obligation.

The present value of the defined benefit obligation of the merged company is actuarially determined by a qualified actuary. The significant assumptions used for the measurement are shown below:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.34%	1.58%
The expected rate of return on plan assets	1.34%	1.58%
Expected salary increase rate	1.50%	1.50%

If significant actuarial assumptions change reasonably and favorably (unfavorably), while holding all other assumptions constant, the present value of the defined benefit obligations would increase (decrease) by the following amounts:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
Increase by 0.5%	(\$ 961)	(\$ 1,067)
Decreased by 0.5%	\$ 1,651	\$ 1,311
Expected salary increase rate		
Increase by 0.5%	\$ 1,638	\$ 1,303
Decreased by 0.5%	(\$ 964)	(\$ 1,073)

Since the actuarial assumptions may be correlated, the possibility of a single assumption varying is remote; therefore, the aforementioned sensitivity analysis may not reflect the actual changes in the present value of the defined benefit obligation.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expected amount to be allocated within one year	\$ 1,166	\$ 1,252
Determining the average maturity period of the defined benefit obligation	8 years	7 years

21. Equity

(1) Capital – common stock

	December 31, 2025	December 31, 2024
Authorized shares (in thousands)	<u>100,000</u>	<u>70,000</u>
Authorized capital	<u>\$ 1,000,000</u>	<u>\$ 700,000</u>
Number of shares issued and fully paid (in thousands)	<u>57,706</u>	<u>57,784</u>
Issued capital	<u>\$ 577,058</u>	<u>\$ 577,838</u>

The par value of each issued ordinary share is \$10, with one voting right and the entitlement to receive dividends per share.

The registered share capital reserved for the issuance of employee share option certificates is 3,000 thousand shares.

Pursuant to the resolution adopted by the Board of Directors on May 5, 2025, the Company cancelled 78 thousand shares of treasury stock, with May 22, 2025 designated as the record date for the capital reduction. Upon completion of the capital reduction, the Company's paid-in capital amounted to NT\$577,058 thousand.

The Company after obtaining approval from the shareholders' meeting on June 19, 2024, and the resolution of the Board of Directors on July 4, 2024 authorizing the Chairman to proceed, conducted a capital increase by issuing 1,681 thousand new shares for free distribution. The record date for the capital increase was August 24, 2024, and the paid-in capital of the Company after the capital increase amounted to \$577,838 thousand.

(2) Capital surplus

The capital surplus arising from paid-in capital in excess of par value of issuance of shares (including the issuance of ordinary shares or treasury share transactions, etc.) and the portion from donated assets may be used to offset deficits; or if the Company has no deficit, the capital surplus may be distributed as cash dividends or capitalized, provided that a certain ratio of paid-in capital shall be set aside as capital reserve each year.

The capital reserve arising from investments accounted for using the equity method, employee share options, and share warrants shall not be used for any purpose.

(3) Retained earnings and dividend policy

According to the Company's Articles of Incorporation regarding the profit distribution policy, if there is profit after the annual final accounting, taxes shall be paid, accumulated losses shall be covered, and 10% shall be appropriated as legal reserve except when the accumulated legal reserve has reached the Company's paid-in capital. After appropriating or reversing special reserve as required by laws or the competent authority, the Board of Directors shall propose a profit distribution proposal for the undistributed profits at the beginning of the period and submit it to the shareholders' meeting for resolution. For the

policy on the distribution of employees' and directors' remuneration as stipulated in the Articles of Incorporation, please refer to Note 24 (7) Employees' and Directors' Remuneration.

The Company is engaged in the high-tech industry and is currently in the growth stage of its corporate life cycle. In order to maintain a sound financial structure, meet capital expenditure requirements for sustainable development, and protect the interests of investors, the distribution of surplus is comprehensively determined by considering factors such as retained earnings, capital surplus, financial structure, and operating conditions. The Company's dividends are distributed in the form of share dividends and cash dividends, with the distribution ratio determined by the company's capital, financial structure, and future funding requirements for its plans. Cash dividends shall account for no less than 10%, but the distribution method and ratio may be adjusted by resolution of the general shareholders' meeting.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the company's paid-in capital. The legal reserve may be used to offset deficits. When the company has no deficit, the portion of legal reserve exceeding 25% of paid-in capital may be distributed in cash or capitalized.

In accordance with Order No. 1090150022 issued by the Financial Supervisory Commission, Order No. 10901500221 issued by the Financial Supervisory Commission, and the "Q&A on the Appropriation and Reversal of Special Reserves after the Adoption of International Financial Reporting Standards (IFRS)," the Company has appropriated and reversed special reserves.

The Company convened the Annual General Shareholders' Meetings on June 10, 2025 and June 19, 2024, respectively, at which the proposals for distribution of surplus earnings for the years ended December 31, 2024 and 2023 were approved as follows:

	2024	2023
Legal reserve	\$ 14,319	\$ 25,510
Special reserve	\$ 14,229	\$ -
Cash dividends	\$ 126,953	\$ 168,075
Share dividends	\$ -	\$ 16,808
Cash dividends per share (NT\$)	\$ 2.2	\$ 3.0
Share dividends per share (NT\$)	\$ -	\$ 0.3

The Company's Board of Directors on March 11, 2026 has proposed the following distribution of surplus earnings for the year ended December 31, 2025:

	Proposed Surplus Distribution	Dividend per Share (NT\$)
Legal reserve	\$ 15,720	
Special reserve	14,286	
Cash dividends	115,411	\$ 2.0
Share dividends	17,312	0.3

With respect to the distribution of surplus earnings for the year ended December 31, 2025, it is still subject to the resolution to be adopted at the Annual General Shareholders' Meeting scheduled for June 9, 2026.

(4) Other equity items

1. Exchange differences on translation of foreign operations

	2025	2024
Balance at the beginning of the year	(\$ 1,675)	(\$ 2,498)
Arising in the year		
Exchange differences on translation of foreign operations	<u>23</u>	<u>823</u>
Other comprehensive income for the year	<u>23</u>	<u>823</u>
Balance at the end of the year	(\$ <u>1,652</u>)	(\$ <u>1,675</u>)

2. Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income

	2025	2024
Balance at the beginning of the year	(\$ 12,554)	\$ 20,455
Arising in the year		
Unrealized gains (losses) on equity instruments	(<u>12,520</u>)	(<u>29,130</u>)
Other comprehensive income for the year	(<u>12,520</u>)	(<u>29,130</u>)
Cumulative gains on disposal of equity instruments transferred to retained earnings	(<u>1,789</u>)	(<u>3,879</u>)
Balance at the end of the year	(\$ <u>26,863</u>)	(\$ <u>12,554</u>)

22. Treasury Shares

- (1) The reasons for share buyback and the changes in the number of shares are as follows (in thousands of shares):

Reasons for Buyback	Number of Shares at the Beginning of the Year	Increase for the Year	Decrease for the Year	Number of Shares at the End of the Year
<u>2025</u>				
Transfer of shares to employees	78	-	(78)	-
<u>2024</u>				
Transfer of shares to employees	78	-	-	78

- (2) The Company's Board of Directors resolved on March 23, 2020 to repurchase 800 thousand shares from March 24, 2020 to May 22, 2020 at a price ranging from \$25 to \$32 per share, and if the market price fell below the lower limit of the originally determined price range, the repurchase would continue. By the end of the execution period, a total of 78 thousand shares had been repurchased at a total cost of \$2,341 thousand. Pursuant to the resolution adopted by the Board of Directors on May 5, 2025, the Company cancelled 78 thousand shares that had not been transferred upon expiration, with May 22, 2025 designated as the record date for the capital reduction.
- (3) The Securities and Exchange Act prescribes that the number of shares repurchased by a company shall not exceed 10% of the total number of issued shares, and the total amount of repurchased shares shall not exceed the sum of retained earnings, share premium, and realized capital surplus. As of the date of the Board's resolution, the Company is in compliance with the provisions of the Securities and Exchange Act.
- (4) The Company's treasury shares, in accordance with securities trading laws and regulations, shall not be pledged, nor shall they entitle the Company to the distribution of dividends or voting rights.

23. Revenue

- (1) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts receivable (Note 10)	<u>\$ 168,214</u>	<u>\$ 183,498</u>	<u>\$ 351,534</u>
Contract liabilities - current			
sales of goods	<u>\$ 27,350</u>	<u>\$ 26,431</u>	<u>\$ 21,182</u>

- (2) Unfinished customer contracts

The unfulfilled performance obligations of the merged company relate to customer contracts whose expected duration does not exceed one year.

24. Net Income from Continuing Operations

- (1) Interest income

	2025	2024
Bank deposits and others	<u>\$ 12,010</u>	<u>\$ 12,321</u>

- (2) Other income

	2025	2024
Dividend income	\$ 1,045	\$ 1,355
Miscellaneous income	<u>3,166</u>	<u>2,871</u>
	<u>\$ 4,211</u>	<u>\$ 4,226</u>

(3) Other gains and losses

	<u>2025</u>	<u>2024</u>
Gain (loss) on financial assets		
Financial assets designated as fair value through profit or loss	\$ 8,348	(\$ 10,330)
Gain on disposal of property, plant and equipment	-	9
Net foreign exchange (losses) gains	(<u>7,084</u>)	<u>23,008</u>
	<u>\$ 1,264</u>	<u>\$ 12,687</u>

(4) Finance costs

	<u>2025</u>	<u>2024</u>
Interest on lease liabilities	\$ 56	\$ 40
Others	<u>-</u>	<u>8</u>
	<u>\$ 56</u>	<u>\$ 48</u>

(5) Depreciation and amortization

	<u>2025</u>	<u>2024</u>
Depreciation expenses summarized by function		
Operating costs	\$ 7,520	\$ 8,328
Operating expenses	<u>8,246</u>	<u>6,845</u>
	<u>\$ 15,766</u>	<u>\$ 15,173</u>
Amortization expenses summarized by function		
Operating costs	\$ 154	\$ 116
Operating expenses	<u>995</u>	<u>1,412</u>
	<u>\$ 1,149</u>	<u>\$ 1,528</u>

(6) Employee benefit expenses

	<u>2025</u>	<u>2024</u>
Retirement benefits (Note 20)		
Defined contribution plans	\$ 5,447	\$ 5,420
Defined benefit plans	<u>155</u>	<u>302</u>
	<u>5,602</u>	<u>5,722</u>
Share-based payments (Note 27)	<u>2,052</u>	<u>-</u>
Other employee benefits		
Salaries and wages	151,526	145,722
Labor and health insurance expenses	11,145	11,435
Other employee benefits	<u>5,656</u>	<u>5,532</u>
	<u>168,327</u>	<u>162,689</u>
Total employee benefit expenses	<u>\$ 175,981</u>	<u>\$ 168,411</u>

	2025	2024
Summarized by function		
Operating costs	\$ 34,311	\$ 34,449
Operating expenses	<u>141,670</u>	<u>133,962</u>
	<u>\$ 175,981</u>	<u>\$ 168,411</u>

(7) Employees' and directors' remuneration

In accordance with the Articles of Incorporation, the Company shall appropriate employees' remuneration at the rate of 7% to 10% and directors' remuneration at a maximum rate of 2% from the pre-tax net income of the current year before deduction of the remuneration for employees and directors. In accordance with the amendment to the Securities and Exchange Act in August 2024, the Company approved an amendment to its Articles of Incorporation at the 2025 shareholders' meeting, stipulating that no less than 5% of the annual employees' remuneration allocated for the year shall be distributed to grassroots employees.

The estimated remuneration of employees and directors for the years ended December 31, 2025 and 2024 was approved by the Board of Directors on March 11, 2026 and March 5, 2025, respectively, as follows:

Estimated ratio

	2025	2024
Employees' remuneration	10%	10%
Directors' remuneration	2%	2%

Amount

	2025	2024
Employees' remuneration	\$ 20,451	\$ 19,127
Directors' remuneration	4,090	3,825

The consolidated financial statements for the year are subject to change after their issuance date, and any changes will be treated as changes in accounting estimates and adjustments will be made in the following year.

The actual amount of employees' and directors' remuneration distributed in the years ended December 31, 2024 and 2023 is consistent with the recognized amount in the consolidated financial statements for the years ended December 31, 2024 and 2023.

Information regarding employees' and directors' remuneration as resolved by the Company's Board of Directors can be found on the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

(8) Gains (losses) on foreign currency exchange

	<u>2025</u>	<u>2024</u>
Total foreign exchange gains	\$ 24,442	\$ 39,354
Total foreign exchange losses	(31,526)	(16,346)
Net gains (losses)	(\$ 7,084)	\$ 23,008

25. Income Tax

(1) Income taxes recognized in profit or loss

The main components of income tax expense are as follows:

	<u>2025</u>	<u>2024</u>
Current income tax		
Arising in the year	\$ 31,990	\$ 31,615
Undistributed earnings surtax	-	2,236
Adjustment of previous years	(8,002)	(6,198)
	<u>23,988</u>	<u>27,653</u>
Deferred tax		
Arising in the year	<u>2,125</u>	<u>4,259</u>
Income tax expense recognized in profit or loss	<u>\$ 26,113</u>	<u>\$ 31,912</u>

The reconciliation of accounting income and income tax expense is as follows:

	<u>2025</u>	<u>2024</u>
Net profit before tax	<u>\$ 179,970</u>	<u>\$ 168,314</u>
Income tax expense calculated based on statutory tax rate on net profit before tax (20%)	\$ 35,994	\$ 33,663
Tax-exempt income	(432)	(271)
Undistributed earnings surtax	-	2,236
Deductible temporary differences not recognized	(1,447)	2,482
Adjustments of current income tax for prior periods in the current year	(8,002)	(6,198)
Income tax expense recognized in profit or loss	<u>\$ 26,113</u>	<u>\$ 31,912</u>

(2) Income tax recognized in other comprehensive income

	<u>2025</u>	<u>2024</u>
<u>Deferred tax</u>		
Arising in the year		
Translation of foreign operations	(\$ 6)	(\$ 205)
Remeasurement of defined benefit plans	(390)	(727)
Income tax recognized in other comprehensive income	(\$ 396)	(\$ 932)

(3) Current tax assets

	December 31, 2025	December 31, 2024
Current tax assets		
Income tax refund receivable	\$ 162	\$ 162

(4) Current tax liabilities

	December 31, 2025	December 31, 2024
Current tax liabilities		
Income tax payable	\$ 19,561	\$ 12,247

(5) Deferred income tax assets

The changes in deferred income tax assets are as follows:

2025

Deferred Income Tax Assets	Balance at the beginning of the Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at the end of the Year
Temporary difference				
Exchange differences on translation of foreign operations	\$ 419	\$ -	(\$ 6)	\$ 413
Remeasurement of defined benefit plans	398	-	(390)	8
Leave payment payable	894	(33)	-	861
Provision for inventory devaluation and obsolescence loss	9,631	(2,461)	-	7,170
Unrealized exchange loss	118	(20)	-	98
Unrealized gross profit on sales of goods	4	-	-	4
Provisions for unrealized product warranties	439	(142)	-	297
Accrued social responsibility compliance expense	-	238	-	238
	<u>\$11,903</u>	<u>(\$ 2,418)</u>	<u>(\$ 396)</u>	<u>\$ 9,089</u>

2024

Deferred Income Tax Assets	Balance at the beginning of the Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at the end of the Year
Temporary difference				
Exchange differences on translation of foreign operations	\$ 624	\$ -	(\$ 205)	\$ 419
Remeasurement of defined benefit plans	1,125	-	(727)	398
Defined benefit retirement plan	1,365	(1,365)	-	-
Leave payment payable	896	(2)	-	894
Provision for inventory devaluation and obsolescence loss	8,967	664	-	9,631
Unrealized exchange loss	3,367	(3,249)	-	118
Unrealized gross profit on sales of goods	4	-	-	4
Provisions for unrealized product warranties	316	123	-	439
	<u>\$16,664</u>	<u>(\$ 3,829)</u>	<u>(\$ 932)</u>	<u>\$11,903</u>

(6) Deferred income tax liabilities

The changes in deferred income tax liabilities are as follows:

2025

Deferred Income Tax Liabilities	Balance at the beginning of the Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at the end of the Year
Temporary difference				
Unrealized exchange gain	\$ 980	(\$ 496)	\$ -	\$ 484
Defined benefit retirement plan	<u>355</u>	<u>203</u>	<u>-</u>	<u>558</u>
	<u>\$ 1,335</u>	<u>(\$ 293)</u>	<u>\$ -</u>	<u>\$ 1,042</u>

2024

Deferred Income Tax Liabilities	Balance at the beginning of the Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at the end of the Year
Temporary difference				
Unrealized exchange gain	\$ 905	\$ 75	\$ -	\$ 980
Defined benefit retirement plan	<u>-</u>	<u>355</u>	<u>-</u>	<u>355</u>
	<u>\$ 905</u>	<u>\$ 430</u>	<u>\$ -</u>	<u>\$ 1,335</u>

(7) Income tax assessments status

The income tax returns of the Company's profit-seeking enterprise through 2023 have been examined and assessed by the Tax Authorities. The discrepancies between the assessed amount and filed amount have been properly adjusted in the respective year.

26. Earnings per Share

Units: NT\$ per share

	2025	2024
Basic earnings per share	<u>\$ 2.67</u>	<u>\$ 2.36</u>
Diluted earnings per share	<u>\$ 2.65</u>	<u>\$ 2.35</u>

When calculating earnings per share, the effect of the share dividends has been retrospectively adjusted, with the ex-rights date being August 24, 2024.

The following presents profit and weighted average numbers of ordinary shares outstanding for calculation of earnings per share:

Net profit for the current year

	2025	2024
Net income used to calculate basic and diluted earnings per share	<u>\$ 153,857</u>	<u>\$ 136,402</u>

Number of shares

	Unit of shares: Thousands of shares	
	2025	2024
The weighted average number of ordinary shares used to calculate basic earnings per share	57,706	57,706
Effect of potential dilutive ordinary shares:		
Employee stock options	11	-
Employees' remuneration	<u>435</u>	<u>458</u>
The weighted average number of ordinary shares used to calculate diluted earnings per share	<u>58,152</u>	<u>58,164</u>

If the merged company has the option to issue employees' remuneration in the form of shares or cash, when calculating diluted earnings per share, it is assumed that employees' remuneration will be paid in the form of shares, and the potential ordinary shares will be included in the weighted average number of outstanding shares when they have a dilutive effect to calculate the diluted earnings per share. Such dilutive effect of the potential shares should continue to be considered until approval of number of shares to be distributed to employees as remuneration in the following year.

27. Share-Based Payment Arrangements

Employee stock option plans

On November 5, 2025, the Company granted 2,500 thousand units of employee stock options. Each unit entitles the holder to subscribe to one common share. The options were granted to eligible employees of the Company. The options have a contractual term of 5 years and are exercisable in proportions starting from the second anniversary of the grant date. The exercise price of the options is the closing price of the Company's common shares on the grant date. The exercise price is subject to adjustment according to a specified formula in the event of changes to the Company's common shares. The aforementioned employee stock option plan was duly filed and became effective as per the Financial Supervisory Commission (FSC) Order No. 1140360771.

Information on share plan for employees was as follows:

Employee stock option	2025
	Unit
Outstanding at the beginning of the year	-
Granted during the year	2,500,000
Expired during the year	<u>-</u>
Outstanding at the end of the year	<u>2,500,000</u>
Exercisable at the end of the year	<u>-</u>
Weighted-average fair value of options granted during the year (NT\$)	<u>\$ 12.51</u>

The fair value of the employee stock options granted in November 2025 was determined using the Black-Scholes pricing model. The inputs used in the model are as follows:

	November 2025
Share price at grant date (NT\$)	\$ 43.65
Execution price (NT\$)	\$ 43.65
Expected volatility	33.76%~36.17%
Contractual term	3.5~4.5 years
Expected dividend rate	-
Risk-free interest rate	1.1722%~1.1947%

The merged company recognized \$2,052 thousand of compensation expense for the year ended December 31, 2025.

28. Capital Risk Management

The merged company undertakes capital management to ensure that all entities in the group can continue as a going concern while maximizing returns to shareholders through the optimal balance of debt and equity.

The capital structure of the merged company consists of its net debt and equity (i.e., share capital, capital surplus, retained earnings, and other equity items).

The merged company is not required to comply with other external capital requirements.

29. Financial Instruments

(1) Fair value information - financial instruments not measured at fair value

The merged company's management believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values or their fair values cannot be reliably measured.

(2) Fair value information - financial instruments measured at fair value on a recurring basis

1. Fair value measurement hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Domestic listed (OTC) and emerging shares	\$ 8,371	\$ -	\$ -	\$ 8,371
Domestic unlisted shares	-	-	19,642	19,642
	<u>\$ 8,371</u>	<u>\$ -</u>	<u>\$ 19,642</u>	<u>\$ 28,013</u>

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through other comprehensive income</u>				
Equity instrument investment				
Domestic listed (OTC) and emerging shares	\$ 38,988	\$ -	\$ -	\$ 38,988
Domestic unlisted shares	-	-	30,915	30,915
Overseas unlisted shares	-	-	2,108	2,108
	<u>\$ 38,988</u>	<u>\$ -</u>	<u>\$ 33,023</u>	<u>\$ 72,011</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Domestic listed (OTC) and emerging shares	\$ 5,099	\$ -	\$ -	\$ 5,099
Domestic unlisted shares	-	-	18,365	18,365
	<u>\$ 5,099</u>	<u>\$ -</u>	<u>\$ 18,365</u>	<u>\$ 23,464</u>

Financial assets measured at fair value through other comprehensive income

Equity instrument investment				
Domestic listed (OTC) and emerging shares	\$ 39,218	\$ -	\$ -	\$ 39,218
Domestic unlisted shares	-	-	21,820	21,820
Overseas unlisted shares	-	-	19,393	19,393
	<u>\$ 39,218</u>	<u>\$ -</u>	<u>\$ 41,213</u>	<u>\$ 80,431</u>

There were no transfers between Level 1 and Level 3 fair value measurements in the years ended December 31, 2025 and 2024.

2. Valuation techniques and inputs for Level 3 fair value measurements

<u>Class of financial instruments</u>	<u>Valuation techniques and inputs</u>
Domestic unlisted shares	The market approach using comparable companies listed on the Taiwan Stock Exchange or Over-the-Counter market is based on the transaction prices of comparable targets, taking into account the differences between the subject company and the comparable companies, and estimating the value of the subject company using appropriate valuation multiples.
Overseas unlisted shares	The asset-based approach evaluates the individual assets and liabilities of the subject company or business using valuation methodologies such as market value, replacement cost, or liquidation value in estimating the overall value of the company or business.

(3) Types of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets measured at fair value through profit or loss - designated as at fair value through profit or loss	\$ 28,013	\$ 23,464
Financial assets measured at amortized cost (Note 1)	916,199	816,092
Financial assets measured at fair value through other comprehensive income - equity instrument investment	72,011	80,431
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	144,818	122,225

Note1: The balances include cash and cash equivalents, current financial assets measured at amortized cost, notes receivable, accounts receivable and a portion of other receivables that are financial assets measured at amortized cost.

Note2: The balances include notes payable, accounts payable and a portion of other payables that are financial liabilities measured at amortized cost.

(4) Financial risk management objectives and policies

The merged company's main financial instruments include equity investments, accounts receivable, accounts payable, and lease liabilities. The merged company's financial management department provides services to the business units, coordinates access to domestic and international financial markets, and supervises and manages the financial risks related to the merged company's operations through analyzing internal risk reports covering exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The merged company has formulated "Procedures for Acquisition or Disposal of Assets" in accordance with the regulations of the competent authority, describing the control procedures for the acquisition, management, and disposal of various assets. If there is a risk assessment and the use of derivative financial instruments is adopted to hedge the exposure in order to mitigate the impact of such risks, the use of derivative financial instruments is governed by policies approved by the board of directors of the merged company, which are written principles for foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of remaining liquidity. The internal auditors continuously review compliance with policies and exposure limits. The merged company did not engage in derivative financial instrument transactions in the years ended December 31, 2025 and 2024.

1. Market risk

The main financial risks undertaken by the merged company due to its operating activities are foreign exchange risk and interest rate risk:

(1) Foreign exchange risk

The merged company engages mainly in sales and purchases transactions denominated in U.S. dollars, which exposes the merged company to foreign exchange risk.

The carrying amounts of the merged company's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) as at the balance sheet date are set out in Note 34.

Sensitivity analysis

The merged company is primarily exposed to fluctuations in the U.S. dollar exchange rate.

The following table provides a detailed sensitivity analysis of the merged company to a 1% appreciation or depreciation of the New Taiwan dollar (the functional currency) against relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items and foreign exchange forward contracts designated as cash flow hedges. These items are retranslated at the end of the year based on a 1% change in foreign exchange rates. A positive amount in the table below indicates a decrease in net income after tax resulting from a 1% appreciation of the New Taiwan dollar against the relevant foreign currency. Conversely, a 1% depreciation of the New Taiwan dollar would have an equal but opposite effect on net income after tax, and the corresponding amounts would be negative.

	Effect of U.S. Dollar Fluctuations on the Functional Currency (NT\$)	
	2025	2024
Profit (loss) (i)	(\$ 1,433)	(\$ 1,999)

(i): The profit or loss shown in the table was mainly attributable to the merged company's exposure to outstanding US dollar-denominated receivables and payables that were not designated as cash flow hedges as of the balance sheet date.

(2) Risk of interest rate fluctuations

The merged company mainly uses its own funds to finance its operating activities, and its exposure to interest rate risk is minimal.

The merged company's exposures to market risk of financial instruments and the manner in which it manages and measures such exposures have not changed.

2. Credit risk

Credit risk refers to the risk of financial loss to the merged company caused by the counterparty's failure to fulfill contractual obligations. As of the balance sheet date, the maximum credit risk exposure that could cause financial loss to the merged company due to the counterparty's failure to perform its obligations is primarily derived from the carrying amount of financial assets recognized in the consolidated balance sheets.

The merged company does not have significant credit risk exposure to any single counterparty or any group of counterparties with similar characteristics. The concentration of credit risk from counterparties for the merged company did not exceed 10% of total monetary assets in the years ended December 31, 2025 and 2024.

The credit risk of the merged company is mainly concentrated on its customers in the Americas and Europe. As of December 31, 2025 and 2024, respectively, European customers accounted for approximately 55.73% and 52.85% of total accounts receivable, while American customers accounted for approximately 37.62% and 42.96% of total accounts receivable as of December 31, 2025 and 2024, respectively.

3. Liquidity risk

The merged company manages and maintains adequate cash and cash equivalents to support operations and mitigate the effects of fluctuations in cash flows. The merged company's working capital is sufficient to support operations, and therefore there is no liquidity risk due to the inability to raise funds to fulfill contractual obligations.

December 31, 2025

	1 - 3 Months	3 Months to 1 Year	1-3 Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 176,794	\$ 41,473	\$ -
Lease liabilities	<u>1,070</u>	<u>3,231</u>	<u>2,748</u>
	<u>\$ 177,864</u>	<u>\$ 44,704</u>	<u>\$ 2,748</u>

Further information on the maturity analysis of lease liabilities is as follows:

	Less Than 1 Year	1-3 Years
Lease liabilities	<u>\$ 4,363</u>	<u>\$ 2,768</u>

December 31, 2024

	<u>1 - 3 Months</u>	<u>3 Months to 1 Year</u>	<u>1-3 Years</u>
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 158,656	\$ 34,325	\$ -
Lease liabilities	<u>1,002</u>	<u>647</u>	<u>-</u>
	<u>\$ 159,658</u>	<u>\$ 34,972</u>	<u>\$ -</u>

Further information on the maturity analysis of lease liabilities is as follows:

	<u>Less Than 1 Year</u>	<u>1-3 Years</u>
Lease liabilities	<u>\$ 1,654</u>	<u>\$ -</u>

30. Related Party Transactions

The transactions, account balances, revenues, and expenses between the Company and its subsidiaries (entities related to the Company) are fully eliminated upon consolidation; therefore, they are not disclosed in these notes. In addition to those disclosed in other notes, transactions between the merged company and other related parties are as follows:

(1) Name of related parties and relationship

<u>Name of related parties</u>	<u>Relationship with the Company</u>
LUNG HWA ELECTRONICS CO., LTD.	Substantive Related Parties

(2) Operating revenue

<u>Item</u>	<u>Related Party Categories</u>	<u>2025</u>	<u>2024</u>
Sales revenue	Substantive related parties	\$ 1,730	\$ -
Other operating revenue	Substantive related parties	<u>543</u>	<u>6,199</u>
		<u>\$ 2,273</u>	<u>\$ 6,199</u>

The sales prices and collection terms between the merged company and related parties are determined according to conditions agreed upon by both parties, with no significant difference from those with non-related parties.

(3) Remuneration of key management personnel

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	<u>\$ 20,710</u>	<u>\$ 18,434</u>

The remuneration of directors and other key management personnel is determined by the Remuneration Committee based on individual performance and market trends.

31. Pledged Assets

The following assets of the merged company have been pledged as collateral for the customs duty-deferral arrangement:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Pledged time deposits (accounted for as current financial assets measured at amortized cost)	<u>\$ 16,000</u>	<u>\$ 16,000</u>

32. Other Matters: None.

33. Significant Subsequent Events: None.

34. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information is summarized in currencies other than the functional currencies of the merged company, with the disclosed exchange rates being the rates at which those currencies are translated into the functional currencies. Information on foreign currency assets and liabilities with significant influence:

Unit: Each Foreign Currency /NT\$ thousand

December 31, 2025

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
Financial Assets			
<u>Monetary items</u>			
US dollars	\$ 7,276	31.43	\$ 228,691
Financial Liabilities			
<u>Monetary items</u>			
US dollars	1,579	31.43	49,633

December 31, 2024

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
Financial Assets			
<u>Monetary items</u>			
US dollars	\$ 8,813	32.79	\$ 288,969
Financial Liabilities			
<u>Monetary items</u>			
US dollars	1,191	32.79	39,068

Foreign currency exchange gains (losses) for the merged company are as follows:

	<u>2025</u>	<u>2024</u>
Realized	(\$ 9,024)	\$ 18,675
Unrealized	<u>1,935</u>	<u>4,320</u>
	(\$ <u>7,089</u>)	\$ <u>22,995</u>

35. Notes on Disclosures

(1) Major transaction matters and

(2) Information related to reinvested enterprises

1. Loans to others: None.
2. Provision of endorsements and guarantees to others: None.
3. Significant marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and interest in joint ventures): Appendix 1.
4. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
5. Accounts receivable from related parties reaching \$100 million or 20% of paid-in capital or more: None.
6. Others: Business relationships between the parent company and its subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them: None.
7. Information on reinvested businesses: Appendix 2.

(3) Information on investments in China

1. The name of the invested company in China, its main business items, paid-in capital, investment methods, remittance of funds in and out, shareholding ratio, investment gains and losses, carrying amount of investments at the end of the period, repatriated investment gains and losses, and the investment limit in China: Appendix 3.
2. The significant transactions with investee companies in China, either directly or indirectly through a third area, their prices, payment terms, and unrealized gains or losses: None.
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - (2) The amount and percentage of sales revenue and the balance and percentage of the related receivables at the end of the period.

- (3) The amount of property transactions and the amount of the resultant gains or losses.
- (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
- (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
- (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

36. Segment Information

Information provided to the chief operating decision maker for the purpose of resource allocation and assessment of department performance focuses on types of products and services delivered or provided. The reportable segments of the merged company are as follows:

Computer and its peripheral equipment: Department 1.

Computer and its peripheral equipment: Department 2.

(1) Department revenue and operating results

	2025		
	Department 1	Department 2	Total
Segment revenue	\$ 1,010,651	\$ -	\$ 1,010,651
Adjustments and layoffs	<u>-</u>	<u>-</u>	<u>-</u>
Operating revenue	<u>\$ 1,010,651</u>	<u>\$ -</u>	<u>\$ 1,010,651</u>
Net profit (loss) from operations	\$ 164,443	(\$ 1,902)	\$ 162,541
Other income	2,378	1,833	4,211
Other gains and losses	1,262	-	1,262
Finance costs	(56)	-	(56)
Interest income	<u>11,943</u>	<u>67</u>	<u>12,010</u>
Segment profit (loss)	179,970	(2)	179,968
Adjustments and layoffs	<u>2</u>	<u>-</u>	<u>2</u>
Net profit (loss) before tax	<u>\$ 179,972</u>	<u>(\$ 2)</u>	<u>\$ 179,970</u>

	2024		
	Department 1	Department 2	Total
Segment revenue	\$ 1,018,413	\$ -	\$ 1,018,413
Adjustments and layoffs	<u>-</u>	<u>-</u>	<u>-</u>
Operating revenue	<u>\$ 1,018,413</u>	<u>\$ -</u>	<u>\$ 1,018,413</u>

	2024		
	Department 1	Department 2	Total
Net profit (loss) from operations	\$ 141,130	(\$ 2,002)	\$ 139,128
Other income	2,341	1,885	4,226
Other gains and losses	12,643	-	12,643
Finance costs	(48)	-	(48)
Interest income	<u>12,248</u>	<u>73</u>	<u>12,321</u>
Segment profit (loss)	168,314	(44)	168,270
Adjustments and layoffs	<u>44</u>	<u>-</u>	<u>44</u>
Net profit (loss) before tax	<u>\$ 168,358</u>	<u>(\$ 44)</u>	<u>\$ 168,314</u>

Interests of departments refer to the profits earned by each department.

(2) Total assets and liabilities of the segment

	Assets of Segment	
	December 31, 2025	December 31, 2024
Assets of department 1	\$ 1,444,941	\$ 1,389,098
Assets of department 2	30,148	30,119
Adjustments and layoffs	(<u>28,844</u>)	(<u>28,817</u>)
Total assets	<u>\$ 1,446,245</u>	<u>\$ 1,390,400</u>

	Liabilities of Segment	
	December 31, 2025	December 31, 2024
Liabilities of department 1	\$ 277,157	\$ 239,332
Liabilities of department 2	1,325	1,323
Adjustments and layoffs	(<u>21</u>)	(<u>21</u>)
Total liabilities	<u>\$ 278,461</u>	<u>\$ 240,634</u>

All assets and liabilities are directly attributable to each department, and there are no shared assets or liabilities to be allocated.

(3) Information by region

The merged company operates primarily in four regions - the Americas, Asia, Europe, and others.

The information about the revenue from external customers from continuing operations of the merged company, categorized by geographical location, is presented as follows:

Region	2025	2024
Europe	\$ 584,089	\$ 385,270
Americas	266,242	339,455
Asia	155,795	290,857
Others	<u>4,525</u>	<u>2,831</u>
	<u>\$ 1,010,651</u>	<u>\$ 1,018,413</u>

(4) Main customer information

Revenues from a single customer constituting 10% or more of the consolidated total revenues are as follows:

	2025	2024
Customer A	\$ 357,166	\$ 216,137
Customer B	149,851	192,649
Customer C	140,868	81,018
Customer E	-	119,538
Others (Note 1)	<u>362,766</u>	<u>409,071</u>
	<u>\$ 1,010,651</u>	<u>\$ 1,018,413</u>

Note 1: The amount of revenue did not reach 10% of the total revenue of the merged company.

RUBY TECH CORPORATION AND SUBSIDIARIES
SIGNIFICANT MARKETABLE SECURITIES HELD AT THE END OF THE PERIOD

December 31, 2025

Appendix 1

Unit: Unless otherwise stated, amounts are in NT\$ thousand

Holding Company	Type and Name of Marketable Securities	The Relationship Between the Issuer of Marketable Securities and the Company	Accounts	End of Period				Remarks
				Number of Shares/Units	Carrying Amount	Shareholding Ratio	Fair Value (Note 2)	
Ruby Tech Corporation	<u>Equity Securities</u>							
	Green Energy Technology Inc.	—	Current financial assets measured at fair value through profit or loss	212,000	\$ -	0.05	\$ -	Notes 2 and 4
	Powerchip Investment Holding Corporation	—	Current financial assets measured at fair value through profit or loss	791,707	19,642	0.06	19,642	Note 2
	DEXIN Corporation	—	Current financial assets measured at fair value through profit or loss	270,023	8,371	0.59	8,371	Notes 2 and 3
	Powerchip Investment Holding Corporation	—	Current financial assets measured at fair value through other comprehensive income	1,041,707	25,845	0.08	25,845	Note 2
	Vactronics Technologies Inc.	—	Current financial assets measured at fair value through other comprehensive income	260,825	11,893	0.37	11,893	Notes 2 and 3
	Tex-Ray Industrial Co., Ltd.	—	Current financial assets measured at fair value through other comprehensive income	500,000	3,565	0.21	3,565	Notes 2 and 3
	Zyxel Group Corporation	—	Current financial assets measured at fair value through other comprehensive income	380,000	12,160	0.09	12,160	Notes 2 and 3
	Winston Medical Supply Co., Ltd.	—	Current financial assets measured at fair value through other comprehensive income	138,000	11,370	0.75	11,370	Notes 2 and 3
	Videosoft Global Co., Ltd.	—	Current financial assets measured at fair value through other comprehensive income	500,000	5,070	4.50	5,070	Note 2
	Zentera Systems, Inc.	—	Current financial assets measured at fair value through other comprehensive income	176,470	2,108	0.62	2,108	Note 2

Note 1: The term “securities” as used in this statement refers to shares, bonds, beneficial interest certificates, and securities derived from the aforementioned items that fall within the scope of IFRS 9 “Financial Instruments.

Note 2: For those measured at fair value, the amounts are presented as the balances after fair value adjustments; for those not measured at fair value, the carrying amounts are presented as the amortized cost (net of allowance for losses).

Note 3: Calculated based on the closing prices as of the end of December 2025.

Note 4: Green Energy Technology Inc. has announced the termination of its listing, and the merged company has assessed that the investment has no fair value.

RUBY TECH CORPORATION AND SUBSIDIARIES

NAMES OF INVESTED COMPANIES, LOCATIONS, AND OTHER RELEVANT INFORMATION

For the year ended December 31, 2025

Appendix 2

Unit: Unless otherwise stated, amounts are in NT\$ thousand

Name of Investee	Name of Investee	Place of Operation	Major Business Activity	Original Investment Amount		Held at the End of the Period			Gain (Loss) Income of the Invested Company for the Current Period	Investment (Gains) Losses Recognized for the Period (Note 1)	Remarks
				At the End of the Current Period	At the End of the Last Period	Number of Shares	Percentage (%)	Carrying Amount			
Ruby Tech Corporation	GRAND IMPACT TECHNOLOGY LIMITED	British Virgin Islands	Investment in related businesses	\$ 58,581	\$ 58,581	1,800,000	100	\$ 28,823	(\$ 2)	(\$ 2)	Invested companies evaluated using the equity method
GRAND IMPACT TECHNOLOGY LIMITED	Ruby Tech (Beijing) Co., Ltd.	Beijing (China)	Computer peripheral equipment trading business	53,471	53,471	-	100	28,823	(2)	(2)	Invested companies evaluated using the equity method

Note 1: The share of profit or loss of subsidiaries accounted for using the equity method is calculated based on the audited financial statements.

Note 2: Please refer to Appendix 3 for information related to the invested companies in China.

Note 3: The related account amounts of the above transactions have been eliminated in the preparation of the consolidated financial statements.

RUBY TECH CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN CHINA

For the year ended December 31, 2025

Appendix 3

Unit: Unless otherwise stated, amounts are in NT\$ thousand

Name of the Invested Company in China	Major Business Activity	Paid-In Capital	Method of Investments	Accumulated Investment Amount Remitted from Taiwan at the Beginning of the Period	Amount of Investments Exported or Recovered This Period		Accumulated Investment Amount Remitted from Taiwan at the end of the Period (Note 2)	Gain (Loss) Income of the Invested Company for the Current Period	The Direct or Indirect Investment Shareholding Ratio of the Company	Current Recognition Investment (Loss) Gain (Note 3)	Carrying Amount of Investment at the end of the Period (Note 3)	Cumulative Investment Income Repatriated up to the Current Period
					Exported	Recovered						
Ruby Tech (Beijing) Co., Ltd.	Computer peripheral equipment trading business	\$ 53,471	(Note 1)	\$ 53,471	\$ -	\$ -	\$ 53,471	(\$ 2)	100%	(\$ 2)	\$ 28,823	\$ -

Accumulated Outward Remittances from Taiwan to China at the End of the Period (Note 2)	Investment Amount Approved by the Investment Commission of the Ministry of Economic Affairs (Note 2)	Limit of Investment in China in Accordance with the Regulations of the Investment Commission of the Ministry of Economic Affairs M.O.E.A. (Note 4)
\$53,471 (USD1,650,000)	\$53,471 (USD1,650,000)	\$700,670

- Note 1: Reinvested in China through Grand Impact Technology Limited.
- Note 2: Investments denominated in foreign currencies were recorded using the exchange rates prevailing at the time of the transactions.
- Note 3: Recognized based on the financial statements audited by the certified public accountants of the parent company in Taiwan.
- Note 4: The investment limit is the higher of 60% of net worth or \$80 million.
- Note 5: The related account amounts of the above transactions have been eliminated in the preparation of the consolidated financial statements.