

**GEM Terminal Ind. Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2025 and 2024 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the consolidated financial statements of affiliates of GEM Terminal Ind. Co., Ltd. as of and for the year ended December 31, 2025 under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”, are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standard No. 10, “Consolidated Financial Statements”. In addition, the relevant information required to be disclosed in the consolidated financial statements of affiliates has all been included in the consolidated financial statements of GEM Terminal Ind. Co., Ltd. and its subsidiaries. Consequently, GEM Terminal Ind. Co., Ltd. and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

GEM Terminal Ind. Co., Ltd.

By

Su, Tun-Li
Chairman

March 10, 2026

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
GEM Terminal Ind. Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of GEM Terminal Ind. Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of 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 the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that 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 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 matter identified in the Group's consolidated financial statements for the year ended December 31, 2025 is as follows:

Occurrence of sales revenue from specific customers

The Group's operating sales revenue from specific customers for the year ended December 31, 2025 was significantly higher than the overall customers in terms of the amounts and growth rates. Therefore, in accordance with the Standards on Auditing, revenue recognition is presumed to have a significant risk, we considered the occurrence of sales revenue from specific customers as a key audit matter.

Refer to Note 4 of the consolidated financial statements for the related accounting policy on revenue recognition.

The main audit procedures that we performed to address the occurrence of revenue from specific customers were as follows:

1. We obtained an understanding of and tested the design and operating effectiveness of the internal controls relevant to shipment and revenue recognition.
2. We selected samples and verified the occurrence of recorded sales revenue from specific customers against supporting documents, including shipping upon customer's receipt or with export-related documents attached, and we checked and confirmed amount that the payer is the same as the record.

Other Matter

We have also audited the parent company only financial statements of GEM Terminal Ind. Co., Ltd. as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified 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 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 Group's ability 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 the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

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 Group's internal control.
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 Group's ability 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 the Group 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 entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. 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 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 Chiu-Yen Wu and Tzu-Yuan Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2026

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 506,099	10	\$ 776,631	15
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	38,591	1	36,173	1
Notes receivable (Notes 4, 9 and 29)	139,496	3	162,674	3
Accounts receivable, net (Notes 4 and 9)	983,201	20	936,360	17
Other receivables	1,886	-	14,924	-
Current tax assets (Note 23)	628	-	1,322	-
Inventories (Notes 4, 5 and 10)	847,787	17	906,909	17
Other financial assets - current (Notes 11 and 29)	190,918	4	176,096	3
Other current assets	131,491	2	147,438	3
Total current assets	<u>2,840,097</u>	<u>57</u>	<u>3,158,527</u>	<u>59</u>
NONCURRENT ASSETS				
Property, plant and equipment (Notes 4, 13, 29 and 30)	1,845,525	37	1,875,320	35
Right-of-use assets (Notes 4, 14, 28 and 29)	56,656	1	61,236	1
Deferred tax assets (Notes 4 and 23)	191,879	4	196,676	4
Prepayments for equipment	4,090	-	35,607	1
Other financial assets - noncurrent (Notes 11 and 29)	7,305	-	8,397	-
Net defined benefit assets (Notes 4 and 19)	18,816	1	9,936	-
Other noncurrent assets	8,202	-	10,254	-
Total noncurrent assets	<u>2,132,473</u>	<u>43</u>	<u>2,197,426</u>	<u>41</u>
TOTAL	<u>\$ 4,972,570</u>	<u>100</u>	<u>\$ 5,355,953</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	\$ 1,830,718	37	\$ 1,276,052	24
Short-term bills payable (Note 17)	-	-	50,000	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	100	-	14	-
Notes payable (Note 15)	184,180	4	524,455	10
Accounts payable (Note 15)	454,003	9	235,090	4
Other payables (Notes 16, 18 and 28)	166,089	4	168,220	3
Current tax liabilities (Note 23)	-	-	574	-
Provisions - current (Note 18)	40,503	1	3,483	-
Lease liabilities - current (Notes 4, 14 and 28)	1,019	-	841	-
Long-term borrowings - current portion (Note 17)	261,202	5	401,535	8
Other current liabilities (Note 4)	12,276	-	15,171	-
Total current liabilities	<u>2,950,090</u>	<u>60</u>	<u>2,675,435</u>	<u>50</u>
NONCURRENT LIABILITIES				
Long-term borrowings (Note 17)	469,998	9	698,200	13
Provisions - non-current (Note 18)	27,024	1	-	-
Deferred tax liabilities (Notes 4 and 23)	15,609	-	10,525	-
Lease liabilities - non-current (Notes 4, 14 and 28)	551	-	1,571	-
Total non-current liabilities	<u>513,182</u>	<u>10</u>	<u>710,296</u>	<u>13</u>
Total liabilities	<u>3,463,272</u>	<u>70</u>	<u>3,385,731</u>	<u>63</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)				
Ordinary shares	<u>1,692,000</u>	<u>34</u>	<u>1,692,000</u>	<u>32</u>
Capital surplus	<u>295,035</u>	<u>6</u>	<u>271,333</u>	<u>5</u>
Retained earnings (accumulated deficit)				
Legal reserve	364,825	7	364,825	7
Special reserve	46,576	1	97,816	2
Accumulated deficit	(808,216)	(16)	(366,117)	(7)
Total retained earnings (accumulated deficit)	<u>(396,815)</u>	<u>(8)</u>	<u>96,524</u>	<u>2</u>
Other equity	(80,922)	(2)	(46,576)	(1)
Treasury shares	-	-	(43,059)	(1)
Total equity	<u>1,509,298</u>	<u>30</u>	<u>1,970,222</u>	<u>37</u>
TOTAL	<u>\$ 4,972,570</u>	<u>100</u>	<u>\$ 5,355,953</u>	<u>100</u>

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

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings (Net Loss) Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE, NET (Notes 4 and 21)	\$ 3,171,773	100	\$ 3,188,136	100
OPERATING COSTS (Notes 10 and 22)	<u>3,179,770</u>	<u>100</u>	<u>3,000,852</u>	<u>94</u>
GROSS PROFIT	<u>(7,997)</u>	<u>-</u>	<u>187,284</u>	<u>6</u>
OPERATING EXPENSES (Notes 22 and 28)				
Marketing	148,919	5	143,597	5
General and administrative	250,959	8	217,863	7
Research and development	25,255	1	8,464	-
Expected credit impairment loss (reversal profit) (Note 9)	<u>2,246</u>	<u>-</u>	<u>(2,743)</u>	<u>-</u>
Total operating expenses	<u>427,379</u>	<u>14</u>	<u>367,181</u>	<u>12</u>
LOSS FROM OPERATIONS	<u>(435,376)</u>	<u>(14)</u>	<u>(179,897)</u>	<u>(6)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 28)				
Interest income	10,945	1	17,770	1
Other income	6,333	-	8,151	-
Other gains and losses	1,627	-	(5,115)	-
Finance costs	<u>(69,596)</u>	<u>(2)</u>	<u>(63,674)</u>	<u>(2)</u>
Total non-operating income and expenses	<u>(50,691)</u>	<u>(1)</u>	<u>(42,868)</u>	<u>(1)</u>
LOSS BEFORE INCOME TAX	(486,067)	(15)	(222,765)	(7)
INCOME TAX EXPENSE (Notes 4 and 23)	<u>(14,694)</u>	<u>(1)</u>	<u>(7,314)</u>	<u>-</u>
NET LOSS	<u>(500,761)</u>	<u>(16)</u>	<u>(230,079)</u>	<u>(7)</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	6,764	-	3,137	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(931)	-	7,215	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,353)	-	(630)	-

(Continued)

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings (Net Loss) Per Share)

	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (37,421)	(1)	\$ 86,376	3
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>6,017</u>	-	<u>(1,742)</u>	-
Other comprehensive income (loss) for the year, net of income tax	<u>(26,924)</u>	<u>(1)</u>	<u>94,356</u>	<u>3</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ (527,685)</u>	<u>(17)</u>	<u>\$ (135,723)</u>	<u>(4)</u>
NET LOSS ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ (500,761)</u>	<u>(16)</u>	<u>\$ (230,079)</u>	<u>(7)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ (527,685)</u>	<u>(17)</u>	<u>\$ (135,723)</u>	<u>(4)</u>
NET LOSS PER SHARE (Note 24)				
Basic	<u>\$ (3.00)</u>		<u>\$ (1.39)</u>	
Diluted	<u>\$ (3.00)</u>		<u>\$ (1.39)</u>	

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

(Concluded)

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	Equity Attributable to the Owners of the Company						Other Equity					Total Equity
	Ordinary Shares	Capital Surplus	Retained Earnings (Accumulated Deficit)			Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total	Treasury Shares	
			Legal Reserve	Special Reserve	Accumulated Deficit							
BALANCE ON JANUARY 1, 2024	\$ 1,692,000	\$ 271,315	\$ 364,825	\$ 97,816	\$ (142,334)	\$ 320,307	\$ (149,664)	\$ 7,649	\$ 7,379	\$ (134,636)	\$ (43,059)	\$ 2,105,927
Exercising the Company's call rights	-	18	-	-	-	-	-	-	-	-	-	18
Net loss for the year ended December 31, 2024	-	-	-	-	(230,079)	(230,079)	-	-	-	-	-	(230,079)
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	84,634	7,212	2,510	94,356	-	94,356
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	(230,079)	(230,079)	84,634	7,212	2,510	94,356	-	(135,723)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	6,296	6,296	-	(6,296)	-	(6,296)	-	-
BALANCE ON DECEMBER 31, 2024	1,692,000	271,333	364,825	97,816	(366,117)	96,524	(65,030)	8,565	9,889	(46,576)	(43,059)	1,970,222
Appropriation of 2024 earnings	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(51,240)	51,240	-	-	-	-	-	-	-
Net loss for the year ended December 31, 2025	-	-	-	-	(500,761)	(500,761)	-	-	-	-	-	(500,761)
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	-	(31,404)	(931)	5,411	(26,924)	-	(26,924)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	(500,761)	(500,761)	(31,404)	(931)	5,411	(26,924)	-	(527,685)
Share-based payment arrangements (Notes 20 and 25)	-	23,702	-	-	-	-	-	-	-	-	43,059	66,761
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	7,422	7,422	-	(7,422)	-	(7,422)	-	-
BALANCE ON DECEMBER 31, 2025	\$ 1,692,000	\$ 295,035	\$ 364,825	\$ 46,576	\$ (808,216)	\$ (396,815)	\$ (96,434)	\$ 212	\$ 15,300	\$ (80,922)	\$ -	\$ 1,509,298

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

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (486,067)	\$ (222,765)
Adjustments for:		
Depreciation expense	239,263	237,943
Amortization expense	4,858	4,750
Expected credit impairment loss (reversal profit)	2,246	(2,743)
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	(791)	8,161
Finance costs	69,596	63,674
Interest income	(10,945)	(17,770)
Dividend income	(198)	(1,326)
Compensation cost of employee share options	23,702	-
Net loss on disposal of property, plant and equipment	5,993	11,570
Impairment loss (recovery profit) of inventories	(21,312)	69
Recognition of provisions	94,614	3,127
Other non-cash items	(5,350)	5,459
Changes in operating assets and liabilities		
Notes receivable	23,178	(9,635)
Accounts receivable	(49,187)	(126,877)
Other receivables	12,067	(12,006)
Inventories	81,566	133,137
Other current assets	15,947	39,567
Notes payable	(340,275)	87,418
Accounts payable	218,913	(300,050)
Other payables	526	3,816
Provisions	(34,452)	-
Other current liabilities	(2,895)	(3,890)
Net defined benefit assets and liabilities	(2,116)	(1,873)
Cash used in operations	(161,119)	(100,244)
Interest received	11,916	15,651
Income tax paid	(433)	(222)
Net cash used in operating activities	<u>(149,636)</u>	<u>(84,815)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(74,614)	(54,570)
Proceeds from sale of financial assets at fair value through other comprehensive income	71,265	65,832
Purchase of financial assets at fair value through profit or loss	-	(7,900)
Disposal of financial assets at fair value through profit or loss	-	6,000
Payments for property, plant and equipment	(216,703)	(416,252)
Proceeds from disposal of property, plant and equipment	613	4,091
Increase in other financial assets	(12,853)	(147,016)
Increase in other non-current assets	(8,217)	(3,417)

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GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
Decrease in other non-current assets	\$ 4,135	\$ -
Dividends received	<u>198</u>	<u>1,326</u>
Net cash used in investing activities	<u>(236,176)</u>	<u>(551,906)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	4,137,862	3,179,871
Decrease in short-term borrowings	(3,549,683)	(2,871,312)
Increase in short-term bills payable	200,000	130,000
Decrease in short-term bills payable	(250,000)	(130,000)
Increase in long-term borrowings	-	583,400
Repayment of long-term borrowings	(368,535)	(525,777)
Repayment of the principal portion of lease liabilities	(842)	(1,173)
Transfer of treasury share to employees	43,059	-
Interest paid	(71,883)	(70,281)
Exercising the Company's call rights	<u>-</u>	<u>18</u>
Net cash generated from financing activities	<u>139,978</u>	<u>294,746</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>(24,698)</u>	<u>77,914</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(270,532)	(264,061)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>776,631</u>	<u>1,040,692</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 506,099</u>	<u>\$ 776,631</u>

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

(Concluded)

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

GEM Terminal Ind. Co., Ltd. (the “Company”) was incorporated in July 1993 under the laws of the Republic of China. The Company is primarily engaged in the manufacture and processing of precision electronic products and related components; electrical machinery; the trading of copper material, including raw and scrap copper; the provision of electroplating services; copper smelting and casting; and the import and export of all related products.

The Company’s shares have been listed on the Taiwan Stock Exchange since September 2001.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 10, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of the Company and its subsidiaries (the “Group”).

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced 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

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of the above standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced 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 determined by IASB
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 stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective 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.

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

IFRS 18 will supersede IAS 1” Presentation of Financial Statements”. The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

- The Group 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 Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group 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.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. 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 IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

See Note 12, Tables 6 and 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity in the Group, 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, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction, and not retranslated subsequently.

For the purpose of presenting the consolidated financial statements, the functional currencies of the entities in the Group (including subsidiaries operating in other countries that use currencies different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the year. The resulting currency translation differences are recognized in other comprehensive income.

f. Inventories

Inventories are stated at the lower of cost and net realizable value. Inventory write-downs are made by item. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost on the balance sheet date.

g. Property, plant, and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss.

Freehold land is not depreciated.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Samples produced when testing whether an item of property, plant and equipment is functioning

properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those samples and the cost of those samples are recognized in profit or loss. Such assets are depreciated and classified into the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Impairment of property, plant and equipment and right-of-use assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to individual cash-generating units or the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

i. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 27.

ii Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

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

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Cash equivalents include time deposits with original maturities of 3 months or less, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost.

The Group always recognizes lifetime ECLs for notes receivable and accounts receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default without taking into account any collateral held by the Group:

- i Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii When a financial asset is more than 360 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and any associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2) Equity instruments

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except for the following situation, the financial liabilities held by the Group are measured at amortized cost using the effective interest method.

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading, and any remeasurement gains or losses on such financial liabilities are recognized in profit or loss. Fair value is determined in the manner described in Note 27.

b) Derecognition of financial liabilities

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

j. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Onerous contracts

Onerous contracts are those in which the Group's unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received from the contract. The present obligations arising under onerous contracts are recognized and measured as provisions. In assessing whether a contract is onerous, the cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that are directly related to fulfilling contracts.

Restructuring Costs

A restructuring provision for termination benefits is recognized when the Group has developed a detailed formal plan for restructuring and has started to implement the plan or announced its main features.

k. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of terminals. Sales of terminals are recognized as revenue when the goods are shipped or delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Accounts receivable are recognized concurrently.

l. Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

When the Group is as a lessee, the Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost and are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

m. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the year in which they are incurred.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in other equity and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

o. Share-based payment arrangements

a) Employee share options granted to employees

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of treasury shares transferred to employees is the date on which the board of directors approves the transaction.

b) Equity-settled share-based payment arrangements granted to the employees of a subsidiary

The grant by the Company of its equity instruments to the employees of a subsidiary under employee share options is treated as a capital contribution. The fair value of employee services received under the arrangement is measured by reference to the grant-date fair value and is recognized over the vesting period as an addition to the investment in the subsidiary, with a corresponding credit to capital surplus - employee share options.

p. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act of the ROC, an additional tax on unappropriated earnings is provided in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and loss carryforwards can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the Group 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 arising from deductible temporary differences associated with such investments and interests are only recognized 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 the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimates, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of the economic environment on cash flow projections, discounts rates, and profitability.. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key sources of estimation uncertainty - Write-down of inventories

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	2024
Cash on hand	\$ 1,735	\$ 3,145
Checking accounts and demand deposits	403,866	641,653
Cash equivalents		
Time deposits with original maturities of 3 months or less	<u>100,498</u>	<u>131,833</u>
	<u>\$ 506,099</u>	<u>\$ 776,631</u>

a. The market interest rates of cash equivalents at the end of the reporting period were as follows:

	December 31	
	2025	2024
Time deposits (%)	3.58-3.73	4.00-4.72

b. The Group transacted with a variety of financial institutions with sound credit ratings to disperse credit risk; hence, there was no expected credit loss.

7. FINANCIAL INSTRUMENTS AT FVTPL

	<u>December 31</u>	
	2025	2024
<u>Financial liabilities-current</u>		
Held for trading		
Derivatives (not under hedge accounting)		
Copper futures	<u>\$ 100</u>	<u>\$ 14</u>

Outstanding copper futures contracts not under hedge accounting at the end of the reporting period were as follows:

	Futures Month	Lots	Contract Amount (In Thousands)
<u>December 31, 2025</u>			
Copper futures			
LME copper - Buy	2026.03	2	US\$ 624
<u>December 31, 2024</u>			
Copper futures			
Refined copper - Buy	2025.03	3	US\$ 302

8. FINANCIAL ASSETS AT FVTOCI - CURRENT

	<u>December 31</u>	
	2025	2024
Investments in equity instruments at FVTOCI		
Domestic listed shares	<u>\$ 38,591</u>	<u>\$ 36,173</u>

These investments in equity instruments are not held for trading. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

9. NOTES AND TRADE RECEIVABLES, NET

	<u>December 31</u>	
	2025	2024
<u>Notes receivable</u>		
Notes receivable - operating	<u>\$ 139,496</u>	<u>\$ 162,674</u>

(Continued)

	December 31	
	2025	2024
Accounts receivable		
At amortized cost		
Gross carrying amount	\$ 990,937	\$ 944,416
Less: Allowance for impairment loss	<u>7,736</u>	<u>8,056</u>
	<u>\$ 983,201</u>	<u>\$ 936,360</u> (Concluded)

Refer to note 29 for information regarding the pledging of notes receivable.

The main credit period of sales of goods was 30-120 days. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for the notes receivable and trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, as well as the industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2025

	Not Past Due	Past Due 1 to 90 Days	Past Due 91 to 180 Days	Past Due 181 to 360 Days	Past Due over 360 Days	Total
Expected credit loss rate (%)	0-0.43	1.03-4.76	-	100	100	
Gross carrying amount	\$ 1,069,397	\$ 56,587	\$ -	\$ 1,350	\$ 3,099	\$ 1,130,433
Loss allowance (Lifetime ECLs)	<u>(1,209)</u>	<u>(2,078)</u>	<u>-</u>	<u>(1,350)</u>	<u>(3,099)</u>	<u>(7,736)</u>
Amortized cost	<u>\$ 1,068,188</u>	<u>\$ 54,509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,122,697</u>

December 31, 2024

	Not Past Due	Past Due 1 to 90 Days	Past Due 91 to 180 Days	Past Due 181 to 360 Days	Past Due over 360 Days	Total
Expected credit loss rate (%)	0-5.55	1.01-6.65	0-52.09	100	100	
Gross carrying amount	\$ 1,066,089	\$ 33,235	\$ 2,067	\$ 3,192	\$ 2,507	\$ 1,107,090
Loss allowance (Lifetime ECLs)	<u>(812)</u>	<u>(508)</u>	<u>(1,037)</u>	<u>(3,192)</u>	<u>(2,507)</u>	<u>(8,056)</u>
Amortized cost	<u>\$ 1,065,277</u>	<u>\$ 32,727</u>	<u>\$ 1,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,099,034</u>

The movements of the loss allowance of notes and trade receivables were as follows:

	For the Year Ended December 31	
	2025	2024
Balance on January 1	\$ 8,056	\$ 10,525
Loss allowance (reversed) recognized	2,246	(2,743)
Write-off	(2,666)	-
Foreign exchange gains and losses	<u>100</u>	<u>274</u>
Balance on December 31	<u>\$ 7,736</u>	<u>\$ 8,056</u>

10. INVENTORIES

	December 31	
	2025	2024
Finished goods	\$ 238,748	\$ 339,610
Work in process	217,760	146,185
Raw materials	299,048	306,165
Supplies	<u>92,231</u>	<u>114,949</u>
	<u>\$ 847,787</u>	<u>\$ 906,909</u>

All operating costs recognized in 2025 and 2024 were the cost of inventories, which included the following items:

	For the Year Ended December 31	
	2025	2024
Inventory impairment loss (recovery profit)	\$ (21,312)	\$ 69
Recognition (reversal) of provisions	(3,054)	3,127
Others	<u>16</u>	<u>962</u>
	<u>\$ (24,350)</u>	<u>\$ 4,158</u>

Inventory write-downs were reversed as a result of those write-down inventories have been reduced.

11. OTHER FINANCIAL ASSETS

	December 31	
	2025	2024
Pledged time deposits	\$ 169,742	\$ 977
Time deposits with original maturity more than 3 months	15,717	171,446
Refundable deposits	<u>12,764</u>	<u>12,070</u>
	<u>\$ 198,223</u>	<u>\$ 184,493</u>
Current	\$ 190,918	\$ 176,096
Non-current	<u>7,305</u>	<u>8,397</u>
	<u>\$ 198,223</u>	<u>\$ 184,493</u>

a. The market rate intervals of other financial assets at the end of the reporting period were as follows:

	December 31	
	2025	2024
Time deposits (%)	0.2-4.0	1.8-4.2

b. The counterparties of the Group's time deposits were banks with good credit ratings with no significant default concerns; hence, there was no expected credit loss.

c. Refer to Note 29 for the information of other financial assets pledged as collateral.

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

Name of Investor	Name of Investee	Percentage of Ownership (%)		Note
		December 31, 2025	December 31, 2024	
The Company	Global Electronics Terminal (Cayman) Co., Ltd. (Global Cayman)	100	100	
	Genius Terminal Co., Ltd. (Genius)	100	100	Note 1
	GEM Terminal (Cayman) Co., Ltd. (GEM Cayman)	100	100	
Global Cayman	Vibo Gem International Co., Ltd. (Vibo)	100	100	
	Global Electronics Terminal (HK) Co., Ltd. (Global HK)	100	100	
Genius GEM Cayman	Genius Terminal (HK) Ltd. (Genius HK)	100	100	Note 2
	Vietnam Gem Electronic and Metal Co., Ltd (GEM VN)	100	100	
Vibo	Suzhou Gem Opto-Electronics Terminal Co., Ltd. (GEM Suzhou)	100	100	
	Dongguan Gem Electronics & Metal Co., Ltd. (GEM Dongguan)	100	100	

Note 1: As Genius is currently in the process of cancellation, the Company had recovered the share capital and profit of \$2,715 thousand (US\$92 thousand) and \$134,404 thousand (US\$4,150 thousand) in 2025 and 2024, respectively.

Note 2: Genius HK had completed its deregistration in November 2025. Genius had recovered the share capital and profit of \$119,124 thousand (US\$3,710 thousand) in 2024.

Refer to Tables 6 and 7 for information on the Group's main business and registered country.

13. PROPERTY, PLANT AND EQUIPMENT

a. Movements of cost and accumulated depreciation were as follows:

For the year ended December 31, 2025

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Others	Construction in Progress and Equipment to be Inspected	Total
<u>Cost</u>							
Balance on January 1, 2025	\$ 245,920	\$ 1,165,721	\$ 1,900,244	\$ 44,488	\$ 799,347	\$ 206,398	\$ 4,362,118
Additions	-	4,742	208,336	3,681	93,027	(61,666)	248,120
Disposal	-	(1,143)	(178,937)	(1,707)	(89,361)	-	(271,148)
Effect of foreign currency exchange differences	-	(14,821)	(40,007)	(333)	(13,753)	(753)	(69,667)
Balance on December 31, 2025	<u>\$ 245,920</u>	<u>\$ 1,154,499</u>	<u>\$ 1,889,366</u>	<u>\$ 46,129</u>	<u>\$ 789,260</u>	<u>\$ 143,979</u>	<u>\$ 4,269,153</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2025	\$ -	\$ (701,309)	\$ (1,199,726)	\$ (21,376)	\$ (563,538)	\$ (849)	\$ (2,486,798)
Depreciation expenses	-	(41,810)	(117,638)	(5,507)	(71,447)	-	(236,402)
Impairment loss	-	-	-	-	-	(29)	(29)
Disposal	-	1,075	181,491	1,679	80,297	-	264,542
Effect of foreign currency exchange differences	-	2,560	20,822	168	11,509	-	35,059
Balance on December 31, 2025	<u>\$ -</u>	<u>\$ (739,484)</u>	<u>\$ (1,115,051)</u>	<u>\$ (25,036)</u>	<u>\$ (543,179)</u>	<u>\$ (878)</u>	<u>\$ (2,423,628)</u>
Carry amounts on December 31, 2025	<u>\$ 245,920</u>	<u>\$ 415,015</u>	<u>\$ 774,315</u>	<u>\$ 21,093</u>	<u>\$ 246,081</u>	<u>\$ 143,101</u>	<u>\$ 1,845,525</u>

For the year ended December 31, 2024

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Others	Construction in Progress and Equipment to be Inspected	Total
<u>Cost</u>							
Balance on January 1, 2024	\$ 245,920	\$ 1,048,512	\$ 1,807,703	\$ 44,127	\$ 782,718	\$ 233,473	\$ 4,162,453
Additions	-	93,452	236,843	8,955	80,228	(31,776)	387,702
Disposal	-	(3,676)	(104,049)	(9,377)	(85,889)	-	(202,991)
Effect of foreign currency exchange differences	-	27,433	(40,253)	783	22,290	4,701	14,954
Balance on December 31, 2024	<u>\$ 245,920</u>	<u>\$ 1,165,721</u>	<u>\$ 1,900,244</u>	<u>\$ 44,488</u>	<u>\$ 799,347</u>	<u>\$ 206,398</u>	<u>\$ 4,362,118</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2024	\$ -	\$ (645,193)	\$ (1,230,809)	\$ (25,072)	\$ (543,145)	\$ -	\$ (2,444,219)
Depreciation expenses	-	(42,221)	(112,025)	(4,527)	(75,985)	-	(234,758)
Impairment loss	-	-	-	-	-	(849)	(849)
Disposal	-	3,027	106,083	8,596	69,624	-	187,330
Effect of foreign currency exchange differences	-	(16,922)	37,025	(373)	(14,032)	-	5,698
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ (701,309)</u>	<u>\$ (1,199,726)</u>	<u>\$ (21,376)</u>	<u>\$ (563,538)</u>	<u>\$ (849)</u>	<u>\$ (2,486,798)</u>
Carry amounts on December 31, 2024	<u>\$ 245,920</u>	<u>\$ 464,412</u>	<u>\$ 700,518</u>	<u>\$ 23,112</u>	<u>\$ 235,809</u>	<u>\$ 205,549</u>	<u>\$ 1,875,320</u>

b. The Company purchased agricultural land of \$7,908 thousand that cannot be transferred to the Company because of statutory limitations; thus, the Company registered the property rights in the name of related party, Su Chung-Hong. The land is mortgaged to the Company and the agreement stipulated

unconditional conveyance of the land to the Company.

- c. The property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings

Factory facilities	8-25 years
Building facilities	5-25 years
Main building of the factory	20-50 years
Main building of the office	20-55 years
Machinery and equipment	5-10 years
Transportation equipment	5-10 years
Others	5-10 years

- d. Refer to Note 29 for the carrying amount of property, plant and equipment pledged as collateral for bank borrowings.
- e. Reconciliation of the additions and the cash paid stated in the statements of cash flows was as follows:

	For the Year Ended December 31	
	2025	2024
Additions to property, plant and equipment	\$ 247,850	\$ 387,702
Increase (decrease) in prepayments for purchasing equipment	(31,517)	14,592
Decrease in payables for purchase of equipment	4,738	20,466
Capitalized interest	<u>(4,368)</u>	<u>(6,508)</u>
Cash paid	<u>\$ 216,703</u>	<u>\$ 416,252</u>

14. LEASE ARRANGEMENTS

- a. Right-of-use assets

	December 31	
	2025	2024
Carrying amount		
Land	\$ 52,619	\$ 56,071
Buildings	2,832	3,109
Transportation equipment	<u>1,205</u>	<u>2,056</u>
	<u>\$ 56,656</u>	<u>\$ 61,236</u>

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ 2,552</u>
Depreciation charge for right-of-use assets		
Land	\$ 1,941	\$ 2,012
Buildings	69	73
Transportation equipment	<u>851</u>	<u>1,100</u>
	<u>\$ 2,861</u>	<u>\$ 3,185</u>

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during 2025 and 2024.

b. Lease liabilities

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Carrying amount		
Current	<u>\$ 1,019</u>	<u>\$ 841</u>
Non-current	<u>\$ 551</u>	<u>\$ 1,571</u>
Range of discount rates for lease liabilities (%)		
Land	2.07	2.07
Transportation equipment	1.57	1.57

c. Material leasing activities and terms

The subsidiaries lease land and buildings for use as plants, offices and employee dormitories with lease terms of 35 to 50 years, which will expire from December 2046 to December 2066 in a row. The Group does not have bargain purchase options to acquire the leasehold land and buildings or extension options at the end of the lease terms. As of December 31, 2025, the Group is in the process of obtaining the land use right certificate for a partial land lease of \$2,784 thousand.

d. Refer to Note 29 for the carrying amount of right-of-use assets pledged as collateral for bank borrowings.

e. Other lease information

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Expenses relating to short-term leases	<u>\$ 1,163</u>	<u>\$ 1,163</u>
Expenses relating to low-value assets leases	<u>\$ 77</u>	<u>\$ 76</u>
Total cash outflow for leases	<u>\$ 2,480</u>	<u>\$ 2,808</u>

The Group has elected to apply the recognition exemption for leases of certain subject qualifying as short-term or low-value asset lease, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. NOTES PAYABLE AND TRADE PAYABLES

The Group's notes payable and trade payables were generated from operating activities and were not secured by collateral.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms, and therefore, no interest was charged on the outstanding trade payables.

16. OTHER PAYABLES

	<u>December 31</u>	
	2025	2024
Payable for salaries and bonuses	\$ 44,734	\$ 50,345
Payable for purchase of equipment	33,889	38,627
Payable for freight	20,289	16,921
Others	<u>67,177</u>	<u>62,327</u>
	<u>\$ 166,089</u>	<u>\$ 168,220</u>

17. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	2025	2024
<u>Bank loans</u>		
Unsecured bank loans	\$ 638,208	\$ 462,134
Secured loans (Note 29)	<u>1,192,510</u>	<u>813,918</u>
	<u>\$ 1,830,718</u>	<u>\$ 1,276,052</u>
Unsecured bank loans annual interest rates (%)	2.30-4.75	2.18-5.15
Secured bank loans annual interest rates (%)	2.44-5.02	2.44-5.01

b. Short-term bills payable

	<u>December 31</u>	
	2025	2024
Commercial papers		
China Bills Finance Corporation	<u>\$ -</u>	<u>\$ 50,000</u>
Annual interest rates (%)	-	2.3

c. Long-term borrowings

	<u>December 31</u>	
	2025	2024
<u>Bank loans</u>		
Unsecured bank loans	\$ 342,312	\$ 599,735
Secured bank loans (Note 29)	<u>388,888</u>	<u>500,000</u>
	731,200	1,099,735
Less: Current portion	<u>261,202</u>	<u>401,535</u>
	<u>\$ 469,998</u>	<u>\$ 698,200</u>
Unsecured bank loans annual interest rates (%)	1.62-2.85	2.00-2.85
Secured bank loans annual interest rates (%)	2.44	2.44

(Continued)

	<u>December 31</u>	
	2025	2024
Unsecured bank loans expiration period	2026.03-2032.11	2025.01-2029.07
Secured bank loans expiration period	2029.03	2029.03 (Concluded)

Under loan agreements with certain banks, the Group should maintain certain financial ratios based on audited annual consolidated financial statements for the year ended December 31, 2024.

The Group was not in compliance with the times interest earned ratio and loan ratio requirements under certain bank borrowings as of December 31, 2024. As a result the banks may adjust the interest rates on the non-compliant loans; nonetheless, the Group has obtained a waiver from the financing bank.

18. PROVISIONS

	<u>December 31</u>	
	2025	2024
<u>Current</u>		
Employee benefits		
Provision for restructuring costs	\$ 40,084	\$ -
Onerous contracts	<u>419</u>	<u>3,483</u>
	<u>\$ 40,503</u>	<u>\$ 3,483</u>
<u>Non-current</u>		
Employee benefits		
Provision for restructuring costs	<u>\$ 27,024</u>	<u>\$ -</u>

In September 2025, upon approval by the Board of Directors, GEM Dongguan implemented the “Group Workforce Integration and Organizational Optimization Plan.” In connection with this plan, the Company announced the early termination of certain employees and offered eligible high-performing employees the opportunity to be transferred to affiliated companies within the Group. The Group has recognized estimated termination and restructuring compensation amounting to approximately NT\$97,668 thousand (RMB 22,892 thousand). As of December 31, 2025, the outstanding balance was NT\$67,108 thousand (RMB\$14,917 thousand), which has been recorded as provisions in the consolidated financial statements.

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

- 1) The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.
- 2) GEM Dongguan, GEM Suzhou and GEM Vietnam of the Group make contributions in accordance with the local regulations, which are defined contribution plan.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 4% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2025	2024
Present value of defined benefit obligation	\$ 59,485	\$ 62,110
Fair value of plan assets	<u>(78,301)</u>	<u>(72,046)</u>
Net defined benefit assets	<u>\$ (18,816)</u>	<u>\$ (9,936)</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance on January 1, 2024	<u>\$ 63,266</u>	<u>\$ (68,192)</u>	<u>\$ (4,926)</u>
Service cost			
Current service cost	119	-	119
Net interest expense (income)	<u>791</u>	<u>(863)</u>	<u>(72)</u>
Recognized in profit or loss	<u>910</u>	<u>(863)</u>	<u>47</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(6,069)	(6,069)
Actuarial gain(loss)			
Change in financial assumptions	(333)	-	(333)
Experience adjustments	<u>3,265</u>	<u>-</u>	<u>3,265</u>
Recognized in other comprehensive (loss) income	<u>2,932</u>	<u>(6,096)</u>	<u>(3,137)</u>
Contributions from the employer	<u>-</u>	<u>(1,920)</u>	<u>(1,920)</u>
Benefit payment			
Plan assets	<u>(4,998)</u>	<u>4,998</u>	<u>-</u>
Balance on December 31, 2024	<u>62,110</u>	<u>(72,046)</u>	<u>(9,936)</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Service cost			
Current service cost	\$ 89	\$ -	\$ 89
Net interest expense (income)	<u>932</u>	<u>(1,095)</u>	<u>(163)</u>
Recognized in profit or loss	<u>1,021</u>	<u>(1,095)</u>	<u>(74)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(5,180)	(5,180)
Actuarial gain(loss)			
Change in financial assumptions	203	-	203
Experience adjustments	<u>(1,787)</u>	-	<u>(1,787)</u>
Recognized in other comprehensive (loss) income	<u>(1,584)</u>	<u>(5,180)</u>	<u>(6,764)</u>
Contributions from the employer	<u>-</u>	<u>(2,042)</u>	<u>(2,042)</u>
Benefit payment			
Plan assets	<u>(2,062)</u>	<u>2,062</u>	<u>-</u>
Balance on December 31, 2025	<u>\$ 59,485</u>	<u>\$ (78,301)</u>	<u>\$ (18,816)</u> (Concluded)

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk

The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk

A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk

The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	<u>December 31</u>	
	2025	2024
Discount rate (%)	1.30	1.50
Expected rate of salary increase (%)	2.00	2.00

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	<u>December 31</u>	
	2025	2024
Discount rate		
0.25% increase	<u>\$ (254)</u>	<u>\$ (326)</u>
0.25% decrease	<u>\$ 260</u>	<u>\$ 333</u>
Expected rate of salary increase		
1% increase	<u>\$ 1,050</u>	<u>\$ 1,351</u>
1% decrease	<u>\$ (991)</u>	<u>\$ (1,274)</u>

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	<u>December 31</u>	
	2025	2024
The expected contributions to the plan for the next year	<u>\$ 2,032</u>	<u>\$ 1,873</u>
The average duration of the defined benefit obligation	3.8 years	4.6 years

20. EQUITY

a. Ordinary shares

	<u>December 31</u>	
	2025	2024
Number of shares authorized (in thousands)	<u>221,000</u>	<u>221,000</u>
Shares authorized	<u>\$ 2,210,000</u>	<u>\$ 2,210,000</u>
Number of shares issued and fully paid (in thousands)	<u>169,200</u>	<u>169,200</u>
Shares issued	<u>\$ 1,692,000</u>	<u>\$ 1,692,000</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of ordinary shares	\$ 266,411	\$ 266,411
Treasury share transactions	28,606	4,904
May only be used to offset a deficit		
Exercising the Company's call rights	<u>18</u>	<u>18</u>
	<u>\$ 295,035</u>	<u>\$ 271,333</u>

Note: The above capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to ordinary shares (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's Articles of Incorporation (the "Articles") where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit until the legal reserve equals the Company's paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of share dividends and bonuses to shareholders.

The Articles also explicitly stipulate that when a special reserve is appropriated for cumulative net debit balance reserves from the prior period, the sum of net profit for the current period and items other than the net profit that is included directly in the unappropriated earnings for the current period is used if the prior unappropriated earnings are not sufficient.

In addition, as stipulated in the Articles, the board of directors is authorized, under Article 240 of the Company Act, to resolve the distribution of dividends and bonuses in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, or under Article 241 of the Company Act, to resolve the distribution of the dividends and bonuses in whole or in part of the legal reserve and capital surplus, and a report of such distribution shall be submitted to the shareholders in their meeting.

The Company's dividend policy is in line with the Company's operating scale and research and development needs in order to maintain sound management and promote shareholders' long-term interests. Thus, the Company adopted residual dividend policy as its shareholder dividends' policy. The Company's profit may be distributed in the form of cash and/or shares. However, distribution of profits should preferably be in the form of cash dividends. Cash dividends should be at least 10% of the total dividends distributed. However, if the amount of cash dividends per share is less than \$0.2, the Company may choose to distribute shares dividends instead.

The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The statements of deficit compensation for 2024 and 2023, and the reversal of special surplus reserve of \$51,240 thousand for 2024, were approved by the shareholders in their meeting held on June 25, 2025 and June 13, 2024, respectively.

The offsetting of the deficit for 2025, which was proposed by the Company's board of directors on March 10, 2026 was as follows:

Offset deficit with legal reserve	<u>\$ 364,825</u>
Offset deficit with special reserve	<u>\$ 46,576</u>
Offset deficit with capital surplus	<u>\$ 295,035</u>

The above offsetting of the deficit will be submitted for resolution by the shareholders at their meeting to be held in June, 2026.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2025	2024
Balance on January 1	\$ (65,030)	\$ (149,664)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(37,421)	86,376
Income tax effects	<u>6,017</u>	<u>(1,742)</u>
Balance on December 31	<u>\$ (96,434)</u>	<u>\$ (65,030)</u>

2) Unrealized gain or loss on financial assets at FVTOCI

	For the Year Ended December 31	
	2025	2024
Balance on January 1	\$ 8,565	\$ 7,649
Recognized for the year		
Unrealized gain - equity instruments	(931)	7,215
Income tax effects	-	(3)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>(7,422)</u>	<u>(6,296)</u>
Balance on December 31	<u>\$ 212</u>	<u>\$ 8,565</u>

e. Treasury shares

	For the Year Ended December 31	
	2025	2024
Shares Transferred to Employees		
Number of shares at the beginning of the period (in thousands)	3,301	3,301
Transferred during the year	<u>(3,301)</u>	<u>-</u>
Number of shares at the end of the period (in thousands)	<u>-</u>	<u>3,301</u>

The Company repurchased shares for NT\$43,059 thousand. Subsequently, the Company's Board of Directors resolved to transfer all treasury shares to employees on August 12, 2025. Please refer to Note 25 for further details.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to receive dividends and to vote.

21. OPERATING REVENUE

	<u>For the Year Ended December 31</u>		
	2025	2024	2024
Revenue from contracts with customers			
Revenue from sale of goods	<u>\$ 3,171,773</u>	<u>\$ 3,188,136</u>	
a. Contract balances			
	December 31,	December 31,	January 1,
	2025	2024	2024
Notes receivable	\$ 139,496	\$ 162,674	\$ 153,039
Accounts receivable, net	<u>983,201</u>	<u>936,360</u>	<u>807,014</u>
	<u>\$ 1,122,697</u>	<u>\$ 1,099,034</u>	<u>\$ 960,053</u>

b. Disaggregation of revenue

Refer to Note 33 for the disaggregation of revenue and revenue of segment information .

22. LOSS BEFORE INCOME TAX

Loss before income tax included following items:

a. Interest income

	<u>For the Year Ended December 31</u>	
	2025	2024
Bank deposits	<u>\$ 10,945</u>	<u>\$ 17,770</u>

b. Other income

	<u>For the Year Ended December 31</u>	
	2025	2024
Dividend income	\$ 198	\$ 1,326
Others	<u>6,135</u>	<u>6,825</u>
	<u>\$ 6,333</u>	<u>\$ 8,151</u>

c. Other gains and losses

	<u>For the Year Ended December 31</u>	
	2025	2024
Foreign exchange gain, net	\$ 8,290	\$ 16,785
Loss on disposal of property, plant and equipment, net	(5,993)	(11,570)
		(Continued)

	For the Year Ended December 31	
	2025	2024
Gain (loss) on financial instruments at FVTPL, net	\$ 791	\$ (8,161)
Others	<u>(1,461)</u>	<u>(2,169)</u>
	<u>\$ 1,627</u>	<u>\$ (5,115)</u> (Concluded)
d. Finance costs		
	For the Year Ended December 31	
	2025	2024
Interest expense of borrowings	\$ 73,566	\$ 69,786
Interest on lease liabilities	398	396
Less: Amounts included in the cost of qualifying assets	<u>4,368</u>	<u>6,508</u>
	<u>\$ 69,596</u>	<u>\$ 63,674</u>
Capitalization rate (%)	2.12-3.24	2.11-3.00
e. Depreciation and amortization		
	For the Year Ended December 31	
	2025	2024
Property, plant and equipment	\$ 236,402	\$ 234,758
Right-of-use assets	2,861	3,185
Other non-current assets	<u>4,858</u>	<u>4,750</u>
	<u>\$ 244,121</u>	<u>\$ 242,693</u>
An analysis of depreciation by function		
Operating costs	\$ 202,539	\$ 200,645
Operating expenses	<u>36,724</u>	<u>37,298</u>
	<u>\$ 239,263</u>	<u>\$ 237,943</u>
An analysis of amortization by function		
Operating costs	\$ 272	\$ 230
Operating expenses	<u>4,586</u>	<u>4,520</u>
	<u>\$ 4,858</u>	<u>\$ 4,750</u>
f. Employee benefits expense		
	For the Year Ended December 31	
	2025	2024
Short-term employee benefit	\$ 520,085	\$ 521,694
Post-employment benefits (Note 19)		
Defined contribution plans	33,429	32,862
Defined benefit plans	<u>(74)</u>	<u>47</u>
	33,355	32,909
		(Continued)

	For the Year Ended December 31	
	2025	2024
Termination benefits - severance packages (Note 18)	\$ 97,668	\$ -
Share-based payments (Note 25)		
Equity-settled	<u>23,702</u>	<u>-</u>
	<u>\$ 674,810</u>	<u>\$ 554,603</u>
An analysis by function		
Operating costs	\$ 461,868	\$ 403,516
Operating expenses	<u>212,942</u>	<u>151,087</u>
	<u>\$ 674,810</u>	<u>\$ 554,603</u>

(Concluded)

g. Employees' compensation and remuneration of directors

According to the Article, the Company accrued compensation of employees and remuneration of directors at rates of no less than 3% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendments to the Company's Articles at their regular meeting in June 2025. The amendments explicitly stipulate the allocation of no less than 20% of the annual employee compensation as distributions to non-executive employees. For the years ended December 31, 2025 and 2024, the Company incurred a net loss; hence, no employees' compensation (including compensation for non-executive employees) or remuneration of directors was accrued for those years.

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

Information on the employees' compensation and remuneration of directors resolved by the Group's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

23. INCOME TAX

a. Income tax expense recognized in profit or loss

The major components of income tax expense are as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	\$ -	\$ (681)
Adjustments for prior years	<u>(553)</u>	<u>426</u>
	<u>(553)</u>	<u>(255)</u>
Deferred tax		
In respect of the current year	(2,183)	(18,950)
Adjustments for prior years	<u>(11,958)</u>	<u>11,891</u>
	<u>(14,141)</u>	<u>(7,059)</u>
	<u>\$ (14,694)</u>	<u>\$ (7,314)</u>

A reconciliation of accounting loss and income tax expense was as follows:

	For the Year Ended December 31	
	2025	2024
Loss before income tax	<u>\$ (486,067)</u>	<u>\$ (222,765)</u>
Income tax benefit calculated at the statutory rate	\$ 122,287	\$ 48,745
Income and expenses adjusted for tax purposes	(1,540)	(1,287)
Tax-exempt income	119	254
Subsidiary's repatriated earnings	(6,695)	(22,225)
Unrecognized loss carryforwards	(118,644)	(36,794)
Deferred tax effect of loss of subsidiaries	2,290	(8,224)
Adjustments for prior years	(12,511)	12,317
Others	<u>-</u>	<u>(100)</u>
	<u>\$ (14,694)</u>	<u>\$ (7,314)</u>

The income tax rate in Taiwan is 20%, the income tax rate for subsidiaries in China is 25%; the income tax rate for subsidiaries in Vietnam is 20%.

- b. Income tax benefit (expense) recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2025	2024
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ 6,017	\$ (1,742)
Remeasurement of defined benefit plans	(1,353)	(627)
Fair value changes of financial assets at FVTOCI	<u>-</u>	<u>(3)</u>
	<u>\$ 4,664</u>	<u>\$ (2,372)</u>

- c. Current tax assets and liabilities

	December 31	
	2025	2024
Current tax assets		
Tax refund receivable	<u>\$ 628</u>	<u>\$ 1,322</u>

- d. Current tax liabilities

	December 31	
	2025	2024
Tax payable	<u>\$ -</u>	<u>\$ 574</u>

- e. Deferred tax assets and liabilities

The movements of net of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2025

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Balance, End of Year
<u>Deferred Tax Assets</u>					
Temporary differences					
Unrealized deferred profits	\$ 21,073	\$ (4,400)	\$ -	\$ -	\$ 16,673
Earnings and translation of foreign operations	24,424	3,129	6,017	-	33,570
Property, plant and equipment	18,433	1,767	-	143	20,343
Unrealized loss on inventories	14,000	(5,606)	-	26	8,420
Others	4,949	(1,956)	-	321	3,314
	82,879	(7,066)	6,017	490	82,320
Loss carryforwards	109,707	(3,888)	-	(350)	105,469
Investment credits	4,090	-	-	-	4,090
	<u>\$ 196,676</u>	<u>\$ (10,954)</u>	<u>\$ 6,017</u>	<u>\$ 140</u>	<u>\$ 191,879</u>
<u>Deferred Tax Liabilities</u>					
Temporary differences					
Defined benefit obligations	\$ 1,987	\$ 423	\$ 1,353	\$ -	\$ 3,763
Land value increment tax	7,398	-	-	-	7,398
Others	1,140	2,764	-	544	4,448
	<u>\$ 10,525</u>	<u>\$ 3,187</u>	<u>\$ 1,353</u>	<u>\$ 544</u>	<u>\$ 15,609</u>

For the year ended December 31, 2024

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Exchange Differences	Balance, End of Year
<u>Deferred Tax Assets</u>						
Temporary differences						
Unrealized deferred profits	\$ 23,000	\$ (1,983)	\$ -	\$ -	\$ 56	\$ 21,073
Earnings and translation of foreign operations	44,057	(17,283)	(1,742)	-	(608)	24,424
Property, plant and equipment	16,730	1,297	-	-	406	18,433
Unrealized loss on inventories	13,966	(412)	-	-	446	14,000
Others	4,600	168	(3)	3	181	4,949
	102,353	(18,213)	(1,745)	3	481	82,879
Loss carryforwards	111,389	(5,213)	-	-	3,531	109,707
Investment credits	-	4,090	-	-	-	4,090
	<u>\$ 213,742</u>	<u>\$ (19,336)</u>	<u>\$ (1,745)</u>	<u>\$ 3</u>	<u>\$ 4,012</u>	<u>\$ 196,676</u>
<u>Deferred Tax Liabilities</u>						
Temporary differences						
Defined benefit obligations	\$ 985	\$ 375	\$ 627	\$ -	\$ -	\$ 1,987
Earnings and translation of foreign operations	12,721	(12,721)	-	-	-	-
Land value increment tax	7,398	-	-	-	-	7,398
Others	914	69	-	-	157	1,140
	<u>\$ 22,018</u>	<u>\$ (12,277)</u>	<u>\$ 627</u>	<u>\$ -</u>	<u>\$ 157</u>	<u>\$ 10,525</u>

- f. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Loss carryforwards		
Expiry in 2027	\$ 52,312	\$ -
Expiry in 2029	121,793	121,208
Expiry in 2030	343,393	-
Expiry in 2034	31,828	33,113
Expiry in 2035	<u>182,252</u>	<u>-</u>
	<u>\$ 731,578</u>	<u>\$ 154,321</u>

- g. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2025 and 2024, the taxable temporary differences associated with investments in subsidiaries and branches for which no deferred tax liabilities have been recognized were \$465,289 thousand and \$785,057 thousand, respectively.

- h. Information about unused loss carryforwards as of December 31, 2025 comprised:

Unused Amount	Expiry Year
\$ 140,508	2027
227,144	2028
121,794	2029
385,377	2030
39,552	2031
51,631	2033
31,828	2034
<u>182,252</u>	2035
<u>\$ 1,180,086</u>	

- i. Income tax assessments

The income tax returns of the Company and GEM VN through 2023 and 2021 have been assessed by the tax authorities, respectively.

24. NET LOSS PER SHARE

Due to the net losses on December 31, 2025, and 2024, there is no dilutive effect on the computation of diluted loss per share.

The net loss and weighted average number of ordinary shares outstanding used in the computation of net loss per share were as follows:

Net loss for the year - attributable to owners of the Company

	<u>For the Year Ended December 31</u>	
	2025	2024
Net Loss used in the computation of basic net loss per share	<u>\$ (500,761)</u>	<u>\$ (230,079)</u>

Weighted average number of ordinary shares outstanding (in thousands)

	<u>For the Year Ended December 31</u>	
	2025	2024
Weighted average number of ordinary shares used in computation of basic loss per share	<u>166,975</u>	<u>165,899</u>

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in

the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. SHARE-BASED PAYMENT ARRANGEMENTS

Pursuant to the Company's regulations regarding the transfer of shares to employees, employees are entitled to the right to subscribe for shares. In August 2025, the Board of Directors approved that employees may subscribe to 2,115 thousand shares from the third tranche of repurchased treasury shares at a subscription price of NT\$12.11 per share, and 1,186 thousand shares from the fourth tranche of repurchased treasury shares at a subscription price of NT\$14.71 per share, respectively. Eligible employees are those who meet certain criteria specified by the Company.

The employee share subscription rights granted by the Company through the transfer of treasury shares are valued using the Black-Scholes option pricing model. The valuation assumptions to the model are as follows:

Grant-date share price (\$)	20.25
Exercise price (\$)	
Third repurchase	12.11
Fourth repurchase	14.71
Expected volatility (%)	47.37
Expected life (in days)	31
Risk-free interest rate (%)	1.24

Employee share options	Unit (\$)
Fair value of employee share options granted during the period	
Third repurchase	<u>\$ 8.15</u>
Fourth repurchase	<u>\$ 5.56</u>

Expected volatility is based on the historical volatility of the Company's share price.

For the share-based payment transactions granted on the grant date, the fair value of the share options is estimated based on the difference between the closing price on the grant date and the exercise price. Compensation cost and capital surplus arising from treasury share transactions were recognized in the amount of NT\$23,702 thousand.

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt and equity. The Group is not subject to any externally imposed capital requirements, except to maintain certain financial ratios specified under loan agreements for the year 2024 (refer to Note 17).

Key management personnel of the Group review the capital structure on a quarterly basis. The capital structure comprises the consideration of costs and risks. The Group balances the overall capital structure based on recommendations of the key management personnel.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Group's management considers that the carrying amounts of financial assets and financial liabilities which are not measured at fair value approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 38,591	\$ -	\$ -	\$ 38,591
<u>Financial liabilities at FVTPL</u>				
Copper futures	\$ 100	\$ -	\$ -	\$ 100

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 36,173	\$ -	\$ -	\$ 36,173
<u>Financial liabilities at FVTPL</u>				
Copper futures	\$ 14	\$ -	\$ -	\$ 14

There were no transfers between Level 1 and Level 2 in 2025 and 2024.

c. Categories of financial instruments

	<u>December 31</u>	
	2025	2024
<u>Financial assets</u>		
Measured at amortized cost (Note 1)	\$ 1,828,905	\$ 2,075,082
Financial assets at FVTPL		
Financial assets at FVTOCI		
Equity instruments	38,591	36,173
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	3,366,190	3,353,552
Financial liabilities at FVTPL		
Held for trading	100	14

Note 1: The balances comprise cash and cash equivalents, notes receivable, trade receivables, other receivables and other financial assets.

Note 2: The balances comprise short-term borrowings, short-term bills payable, notes payable, trade payables, other payables, and long-term borrowings (including current portion).

d. Financial risk management objectives and policies

The Group's corporate treasury function provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through analyzing exposures to risks. These risks include market risk, credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks as follows:

a) Foreign currency risk

The Group had foreign currency denominated trades, which exposed the Group to foreign currency risk. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) exposed to foreign currency risk at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Group was mainly exposed to the USD.

The sensitivity rate used when reporting foreign currency risk internally to key management personnel is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period. Below indicates an increase (decrease) in pre-tax profit for a 1% weakening of the functional currency against the relevant currency.

	<u>For the Year Ended December 31</u>	
	2025	2024
USD	\$ (6,715)	\$ (341)

b) Interest rate risk

The Group was exposed to interest rate risk because the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<u>December 31</u>	
	2025	2024
Fair value interest rate risk		
Financial assets	\$ 285,957	\$ 304,256
Financial liabilities	629,677	586,539

(Continued)

	December 31	
	2025	2024
Cash flow interest rate risk		
Financial assets	\$ 403,668	\$ 641,460
Financial liabilities	1,933,811	1,841,660
		(Concluded)

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the asset and liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax loss for the years ended December 31, 2025 and 2024 would increase/decrease by \$15,301 thousand and \$12,002 thousand, respectively, which was mainly a result of the changes in the floating interest rate bank deposits and borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes, the Group manages this exposure by maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to equity price risk at the end of the reporting period.

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the years ended December 31, 2025 and 2024 would have increased/decreased by \$386 thousand and \$362 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to counterparties' failure to discharge an obligation, is the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group's concentration of credit risk exists are significantly concentrated with a few customers, most of whom are engaged in similar business activities and have similar economic characteristics, such that their ability to fulfill their contractual obligations is also similarly affected by economic or other conditions. The total amount of trade receivables from customers with a significant concentration of credit risk is as follows:

	December 31	
	2025	2024
Group A	<u>\$ 93,168</u>	<u>\$ 122,946</u>
Percentage of total trade receivables (%)	9	13

3) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the Group's funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate banking facilities, continuously monitoring cash flows as well as matching the maturity profiles of financial assets and liabilities.

As of December 31, 2025, the Group's current liabilities exceeded its current assets by NT\$109,993 thousand. However, as of the same date, the Group still had approximately NT\$918,452 thousand of unused bank credit facilities. The Company's management continues to monitor the Group's use and allocation of funds to maintain a sufficient level of cash and cash equivalents to support the Group's operations and ensure the repayment of borrowings.

Liquidity risk tables for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group could be required to pay. The tables include both interest and principal cash flows. Specifically, liabilities with a repayment on demand clause were included in the earliest time band regardless of the probability of the counterparties choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed-upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate at the end of the reporting period.

	On Demand or Less than 1 Month	1-3 Months	4 Months to 1 Year	1-5 Years	Over 5 Years
<u>December 31, 2025</u>					
Fixed interest rate liabilities	\$ 213,028	\$ 200,154	\$ 222,526	\$ -	\$ -
Variable interest rate liabilities	88,089	623,343	781,217	465,026	18,112
Lease liabilities	103	207	930	587	-
Non-interest bearing	427,905	293,572	80,999	1,796	-
Financial guarantee contracts	<u>4,120</u>	<u>12,394</u>	<u>1,186</u>	<u>-</u>	<u>-</u>
	<u>\$ 733,245</u>	<u>\$ 1,129,670</u>	<u>\$ 1,086,858</u>	<u>\$ 467,409</u>	<u>\$ 18,112</u>
<u>December 31, 2024</u>					
Fixed interest rate liabilities	\$ 204,257	\$ 85,149	\$ 300,969	\$ -	\$ -
Variable interest rate liabilities	69,754	305,132	804,331	722,110	-
Lease liabilities	103	207	930	1,827	-
Non-interest bearing	374,180	282,529	271,056	-	-
Financial guarantee contracts	<u>7,817</u>	<u>20,327</u>	<u>15,637</u>	<u>-</u>	<u>-</u>
	<u>\$ 656,111</u>	<u>\$ 693,344</u>	<u>\$ 1,392,923</u>	<u>\$ 723,937</u>	<u>\$ -</u>

The amounts included above for variable interest rate non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

e. Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. The information was as follows:

	December 31	
	2025	2024
Transferred but not derecognized (Note1)	\$ 8,815	\$ 53,131
Transferred and derecognized (Note 2)	<u>17,700</u>	<u>43,781</u>
	<u>\$ 26,515</u>	<u>\$ 96,912</u>
Maturity date	2026.01-2026.04	2025.01-2025.05

Note 1: If the bills receivable are not paid upon maturity, the suppliers have the right to request the Group to pay the unsettled balance; therefore, the Group has not transferred the significant risks and rewards relating to these banker's acceptance bills, and the Group has continued to recognize these bills as collateral.

Note 2: The Group has transferred substantially all risks and rewards relating to the banker's acceptance bills; however, if the derecognized bills receivable are not paid upon maturity, the suppliers have the right to request the Group to pay the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable. The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the carrying amounts of the transferred but unsettled bills receivable. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of derecognized bills receivable in its continuing involvement are not significant.

For the years ended December 31, 2025 and 2024, the Group did not recognize any gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the years or cumulatively.

28. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed in Note 13, transactions between the Group and its related parties were as follows:

a. Related party name and its relationship with the Group

<u>Related Party Name</u>	<u>Relationship with the Group</u>
Su, Tun-Li	Key management personnel
Su, Chung-Hong	Key management personnel
Guu, Heng-Chang	Key management personnel
Su, Hong-Yue-Chi	Other related party
Su, Tun-Yi	Other related party

b. Payables to related parties

Line Item	Related Party Name	December 31	
		2025	2024
Other payables	Su, Tun-Li	<u>\$ -</u>	<u>\$ 1,780</u>

The above other payables were rental payables.

The outstanding payables to related parties are unsecured.

c. Service fees

Other related parties and key management personnel provided consulting services to the Company and the service fees of \$2,844 thousand and \$2,544 thousand were recognized as operating expenses and paid for the years ended December 31, 2025 and 2024, respectively.

d. Lease arrangements

Line Item	Related Party Name	December 31	
		2025	2024
Lease liabilities	Su, Chung-Hong	<u>\$ 187</u>	<u>\$ 252</u>

Line Item	Related Party Name	For the Year Ended December 31	
		2025	2024
Finance costs	Su, Chung-Hong	<u>\$ 56</u>	<u>\$ 69</u>
Rental expenses	Su, Tun-Li	<u>\$ 890</u>	<u>\$ 890</u>

The rental was determined based on negotiations between the Company and the related parties and paid according to the general payment terms.

e. Guarantees

Details of the guarantees provided by the Group's related parties for the loans of the Group were as follows:

Guarantor	December 31	
	2025	2024
Su, Tun-Li	\$ 1,162,111	\$ 1,122,680
Su, Chung-Hong	<u>936,611</u>	<u>918,980</u>
	<u>\$ 2,098,722</u>	<u>\$ 2,041,660</u>

f. Remuneration of key management personnel

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	\$ 14,700	\$ 14,128
Share-based payments	7,416	-
Post-employment benefits	<u>262</u>	<u>261</u>
	<u>\$ 22,378</u>	<u>\$ 14,389</u>

The remuneration of directors and other members of key management is determined by the remuneration committee based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR SECURITY

The Group provided the following assets as collateral for the borrowings, bank's acceptance and performance guarantees:

	December 31	
	2025	2024
Notes receivable	\$ 8,815	\$ 53,131
Property, plant and equipment	508,317	538,690
Pledged deposits (under other financial assets)	169,742	977
Right-of-use assets	<u>26,118</u>	<u>27,812</u>
	<u>\$ 712,992</u>	<u>\$ 620,610</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

At the balance sheet date, the Group's significant contingent liabilities and unrecognized commitments were as follows:

	December 31	
	2025	2024
Purchases of property, plant, and equipment	\$ 25,918	\$ 76,189
Purchases of raw materials contracts	<u>\$ 165,188</u>	<u>\$ 78,910</u>
Purchase of raw material for the unused letters of credit	<u>\$ -</u>	<u>\$ 464</u>

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Group's entities and the exchange rates between the foreign currencies and the respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currency (In Thousands)	Exchange Rate	NTD (In Thousands)
<u>December 31, 2025</u>			
Financial assets			
Monetary items			
USD	\$ 1,185	31.435 (USD:NTD)	\$ 37,258
USD	5,997	6.9879 (USD:RMB)	188,515
USD	16,543	7.7829 (USD:HKD)	520,026
USD	14,774	26,218 (USD:VND)	<u>464,410</u>
			<u>\$ 1,210,209</u>

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		NTD (In Thousands)
Financial liabilities				
Monetary items				
USD	\$ 3,757	31.435	(USD:NTD)	\$ 118,091
USD	13,993	6.9879	(USD:RMB)	439,861
USD	16,147	7.7829	(USD:HKD)	507,584
USD	25,964	26,218	(USD:VND)	<u>816,167</u>
				<u>\$ 1,881,703</u>
<hr/> December 31, 2024 <hr/>				
Financial assets				
Monetary items				
USD	7,442	32.78	(USD:NTD)	\$ 243,952
USD	13,193	7.3219	(USD:RMB)	432,479
USD	16,268	7.7641	(USD:HKD)	533,255
USD	8,750	25,510	(USD:VND)	<u>286,818</u>
				<u>\$ 1,496,504</u>
Financial liabilities				
Monetary items				
USD	3,169	32.78	(USD:NTD)	\$ 103,879
USD	8,655	7.3219	(USD:RMB)	283,697
USD	14,781	7.7641	(USD:HKD)	484,519
USD	20,089	25,510	(USD:VND)	<u>658,519</u>
				<u>\$ 1,530,614</u>
				(Concluded)

For the years ended December 31, 2025 and 2024, realized and unrealized net foreign exchange gain were \$8,290 thousand and \$16,785 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group's entities.

32. ADDITIONAL DISCLOSURES

a. Information on significant transactions

- 1) Financing provided to others: Table 1.
- 2) Endorsements/guarantees provided: Table 2.
- 3) Significant marketable securities held: Table 3.
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.

- 6) Inter-company business relationship and material transactions and its amount: Table 9.
- b. Information on investees: Table 6.
- c. Information on investments in mainland China

Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7.

Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

- 1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: Table 8.
- 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: Table 8.
- 3) The amount of property transactions and the amount of the resultant gains or losses: Table 8.
- 4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: None.
- 5) The highest balance, the ending balance, the interest rate range, and total current year interest with respect to financing of funds: None.
- 6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: Table 9.

33. SEGMENT INFORMATION

Information is reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Each entity of the Group is considered a separate operating segment by the chief operating decision maker (CODM). For financial statement presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- a. These operating segments have similar production and sales processes;
- b. These operating segments have similar main businesses and products; and
- c. The finance and business of these operating segments as to the consolidated financial statements are not material.

Due to the Group's gradual adjustment of the business structure and division of labor among its operating segments, the Group consolidated the information as a single operating segment starting from the year ended December 31, 2024. The chief operating decision maker uses the overall information of the Group for resource allocation and performance evaluation. In addition, the basis of measurement for the segment information reviewed by the chief operating decision maker is consistent with that of the consolidated financial statements. Therefore, the Group's revenue and results from continuing operations by reportable

segment can be referred to in the consolidated statements of comprehensive income and the total segment assets and liabilities can be referred to in the consolidated balance sheets.

a. Revenue from major products

The following is an analysis of the Group's revenue from its major product:

	For the Year Ended December 31	
	2025	2024
Terminals	\$ 2,846,805	\$ 3,148,781
Special new type same material products	309,445	36,321
Others	<u>15,523</u>	<u>3,034</u>
	<u>\$ 3,171,773</u>	<u>\$ 3,188,136</u>

b. Geographical information

The Group's revenue from external customers by location of customers and information about its non-current assets by location of assets are detailed below:

	Revenue from		Non-current Assets	
	External Customers		Non-current Assets	
	For the Year Ended		December 31	
	2025	2024	2025	2024
Taiwan	\$ 406,426	\$ 150,554	\$ 554,181	\$ 566,735
China	2,476,630	2,738,573	899,094	888,312
Vietnam	148,142	135,605	461,198	527,370
Others	<u>140,575</u>	<u>163,404</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,171,773</u>	<u>\$ 3,188,136</u>	<u>\$ 1,914,473</u>	<u>\$ 1,982,417</u>

Non-current assets exclude financial assets - non-current, deferred income tax assets and net defined benefit assets.

c. Information about major customers

For the year ended December 31, 2025 and 2024, no revenue from a single group accounting for at least 10% of the Group's consolidated operating revenue.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Year	Ending Balance (Note 2)	Actual Amount Borrowed (Notes 2 and 3)	Interest Rate	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
1	Vibo	GEM VN	Other receivables - related parties	Yes	\$ 33,200	\$ 31,435	\$ -	-	Short-term financing	\$ -	Business development	\$ -	-	\$ -	\$ 331,032	\$ 662,065	Note 1
2	GEM Dongguan	GEM Suzhou	Other receivables - related parties	Yes	160,020	112,463	112,463	2.3-2.4	Short-term financing	-	Business development	-	-	-	131,497	262,994	Note 1

Note 1: Under the Company's and the subsidiaries' "Operational Procedures for Loaning Funds to Others", if short-term financing is needed, the total amount of these financings shall not exceed 40% of the Company's and the subsidiaries' shareholders' equity, and individual financing shall not exceed 20% of the Company's and the subsidiaries' shareholders' equity.

Note 2: The exchange rate was US\$1: NT\$31.435.

Note 3: It was eliminated on consolidation.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2025**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
1	GEM Dongguan	The Company	Parent	\$ 1,643,709	\$ 157,448	\$ 157,448	\$ 120,000	\$ 157,448	23.95	\$ 1,643,709	N	Y	N	

Note 1: The total amount of endorsements and guarantees provided by GEM Dongguan to external parties shall not exceed 250% of GEM Dongguan's net worth, based on the most recent financial statements verified or audited by independent auditors. The endorsement and guarantee limit for a single company shall not exceed 250% of the Company's net worth.

Note 2: The exchange rate was RMB\$1: NT\$4.4985.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	SEPTEMBER 30, 2025				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
The Company	<u>Stock</u>							
	TECO ELECTRIC AND MACHINERY CO., LTD.	-	Financial assets at FVTOCI - current	40,000	\$ 3,360	-	\$ 3,360	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at FVTOCI - current	1,000	1,550	-	1,550	
	INVENTEC CORPORATION	-	Financial assets at FVTOCI - current	200,000	8,580	-	8,580	
	Aerospace Industrial Development Corporation	-	Financial assets at FVTOCI - current	20,000	1,012	-	1,012	
	Wistron Information Technology Co., Ltd.	-	Financial assets at FVTOCI - current	80,000	12,040	-	12,040	
	Innolux Corporation.	-	Financial assets at FVTOCI - current	75,000	1,279	-	1,279	
PEGATRON CORPORATION		Financial assets at FVTOCI - current	157,000	<u>10,770</u>	-	<u>10,770</u>		
					<u>\$ 38,591</u>		<u>\$ 38,591</u>	

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Detail				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Term	Unit Price	Payment Term	Ending Balance	% to Total	
GEM Dongguan	GEM Suzhou	Affiliate	Sales	\$ 193,358	100	120 days after monthly closing	Note 1	Note 2	\$ 109,259	100	Note 3
GEM Suzhou	Global HK	Affiliate	Sales	441,056	15	120 days after monthly closing	Note 1	Note 2	154,104	14	Note 3
GEM VN	Global HK	Affiliate	Sales	1,324,337	88	120 days after monthly closing	Note 1	Note 2	362,820	84	Note 3
Global HK	The Company	Subsidiary	Sales	154,956	9	120 days after monthly closing	Note 1	Note 2	46,633	11	Note 3
	GEM Suzhou	Affiliate	Sales	1,354,559	75	120 days after monthly closing	Note 1	Note 2	258,144	61	Note 3
	GEM VN	Affiliate	Sales	112,482	6	120 days after monthly closing	Note 1	Note 2	54,879	13	Note 3

Note 1: The sales price of finished goods was not significantly different from those to third parties, except for the stated sales price of finished goods, there were no comparable transactions with third parties.

Note 2: The sales payment terms of intercompany sales are not significantly different from those to third parties.

Note 3: It was eliminated on consolidation.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Notes 1 and 3)	Turnover Rate (Note 2)	Overdue		Amount Received in Subsequent Year	Allowance for Impairment Loss
					Amount	Actions Taken		
GEM Suzhou	Global HK	Affiliate	\$ 159,024	1.96	\$ -	-	\$ 119,662	\$ -
	GEM Dongguan	Affiliate	101,008	1.74	-	-	24,341	-
GEM Dongguan	GEM Suzhou	Affiliate	227,958	2.10	-	-	53,107	-
GEM VN	Global HK	Affiliate	362,820	4.78	-	-	297,919	-
Global HK	GEM Suzhou	Affiliate	258,144	5.04	-	-	258,144	-

Note 1: It included trade receivables and other receivables.

Note 2: The computation of turnover rate didn't include other receivables.

Note 3: It was eliminated on consolidation.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Shares/ Units	%	Carrying Amount			
The Company	Global Cayman	Grand Cayman, Cayman Islands	International investment	\$ 1,295,208	\$ 1,295,208	40,137,184	100	\$ 1,627,400	\$ (289,318)	\$ (290,157)	Note 3
	GEM Cayman	Grand Cayman, Cayman Islands	International investment	573,029	573,029	18,598,333	100	394,417	(15,640)	(15,640)	Note 3
	Genius	British Virgin Islands	International investment and trading.	-	-	-	-	380	(207)	(207)	Note 1
Genius	Genius HK	Hong Kong	International trading	-	278	-	-	-	(80)	(74)	Note 2
Global Cayman	Vibo	Hong Kong	International investment and trading	1,541,063	1,541,063	359,972,616	100	1,655,161	(290,064)	(290,064)	Note 3
	Global HK	Hong Kong	International trading	3,747	3,747	1,000,000	100	10,145	875	457	Note 3
GEM Cayman	GEM VN	Vietnam	Production of hardware; machine processing; electroplating for metal processing; production and processing of molds and related accessories; plastic products and related plastic accessory production; production and processing of copper cores, copper alloys and copper bars.	567,140	567,140	-	100	404,179	(41,664)	(15,358)	Note 3

Note 1: Genius are currently in the process of deregistration. As of December 31, 2025, the deregistration procedures have not yet been completed.

Note 2: Genius HK has completed the deregistration in November 2026.

Note 3: Unrealized profits or losses on sales have been eliminated.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Main Business and Product	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Fund		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Loss of the Investee	% of Ownership of Direct or Indirect Investment	Investment Loss (Note 1 and 3)	Carrying Amount as of December 31, 2025 (Note 1 and 3)	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
GEM Dongguan	Production of hardware; machine processing; electroplating for metal processing; production and processing of molds and related accessories; plastic products and related plastic accessory production equipment leasing;property Leasing.	\$ 762,365	The investment was made through a corporation established in a third country to invest in companies located in mainland China.	\$ 452,130	\$ -	\$ -	\$ 452,130	\$ (160,459)	100	\$ (141,075)	\$ 654,366	\$ 81,641	
GEM Suzhou	Production of hardware; machine processing; electroplating for metal processing; production and processing of molds and related accessories; plastic products and related plastic accessory production.	1,127,708	The investment was made through a corporation established in a third country to invest in companies located in mainland China.	741,320	-	-	741,320	(156,429)	100	(149,554)	955,156	753,650	

Investor Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 2)
The Company	\$ 1,193,450	\$ 1,782,365 (US\$ 56,700 thousand)	\$ 905,579

Note 1: The amount was recognized based on the audited financial statements.

Note 2: Under the “Principles Governing the Review of Investments or Technical Cooperation in Mainland China” issued by the Investment Commission on August 29, 2008, the maximum amount that can be invested in companies located in mainland China is 60% of the Company’s net value.

Note 3: It was eliminated on consolidation.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Transaction Type	Price	Transaction Detail		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
				Payment Term	Comparison with Normal Transaction	Ending Balance	%		
The Company	GEM Suzhou	Sales	\$ 29,474	120 days after monthly closing	No significant difference with those to third parties	\$ 479	-	\$ 2,224	
Global HK	GEM Suzhou	Sales	1,354,559	120 days after monthly closing	No significant difference with those to third parties	258,144	5	(11,787)	
		Purchase	441,056	120 days after monthly closing	No significant difference with those to third parties	(154,104)	3	432	
		Purchase of property plant, and equipment	9,866	120 days after monthly closing	No comparable transactions with those in the market	4,920	-	889	

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

INTERCOMPANY BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			Percentage of Consolidated Total Gross Sales or Total Assets
				Financial Statement Item	Amount (Note 1)	Term	
0	The Company	Global HK	1	Sales	\$ 13,570	Payment term of 4 months	-
		Global HK	1	Benefits of equipment purchased on behalf of subsidiaries	3,127	Payment term of 4 months	-
		GEM Suzhou	1	Sales	29,474	Payment term of 4 months	-
		GEM Suzhou	1	Benefits of equipment purchased on behalf of subsidiaries	3,939	Payment term of 4 months	-
		GEM VN	1	Sales	12,192	Payment term of 4 months	-
		GEM VN	1	Trade receivable	3,761	Payment term of 4 months	-
		GEM VN	1	Benefits of equipment purchased on behalf of subsidiaries	1,698	Payment term of 4 months	-
1	GEM Dongguan	GEM VN	3	Disposal of property, plant and equipment	9,480	Payment term of 4 months	-
		GEM Suzhou	3	Sales	193,358	Payment term of 4 months	6
		GEM Suzhou	3	Trade receivable	109,259	Payment term of 4 months	2
		GEM Suzhou	3	Other receivables	118,699	According to working capital conditions to change payment deeding	2
		GEM Suzhou	3	Interest income	3,685	Annual Interest rate of 2.30%-2.40%	-
3	Global HK	The Company	2	Sales	154,956	Payment term of 4 months	5
		The Company	2	Trade receivable	46,633	Payment term of 4 months	1
		The Company	2	Disposal of property, plant and equipment	1,365	Payment term of 4 months	-
		GEM VN	3	Sales	112,482	Payment term of 4 months	4
		GEM VN	3	Trade receivable	54,879	Payment term of 4 months	1
		GEM Suzhou	3	Sales	1,354,559	Payment term of 4 months	43
		GEM Suzhou	3	Trade receivable	258,144	Payment term of 4 months	5
4	GEM Suzhou	Global HK	3	Sales	441,056	Payment term of 4 months	14
		Global HK	3	Trade receivable	154,104	Payment term of 4 months	3
		Global HK	3	Other income	1,453	Payment term of 4 months	-
		Global HK	3	Disposal of property, plant and equipment	9,866	Payment term of 4 months	-
		Global HK	3	Other receivables	4,920	Payment term of 4 months	-
		GEM Dongguan	3	Sales	88,105	Payment term of 4 months	3
		GEM Dongguan	3	Trade receivable	101,008	Payment term of 4 months	2

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			Percentage of Consolidated Total Gross Sales or Total Assets
				Financial Statement Item	Amount (Note 1)	Terms	
6	GEM VN	The Company	2	Sales	\$ 72,551	Payment term of 4 months	2
		The Company	2	Trade receivable	29,806	Payment term of 4 months	1
		Global HK	3	Sales	1,324,337	Payment term of 4 months	42
		Global HK	3	Trade receivable	362,820	Payment term of 4 months	7

(Concluded)

Note 1: It was eliminated on consolidation.

Note 2: 1) Parent to subsidiary.

2) Subsidiary to parent.

3) Subsidiary to subsidiary.