

SYSGRATION LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2025 AND 2024

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

SYSGRATION LTD. AND SUBSIDIARIES
SEPTEMBER 30, 2025 AND 2024 CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
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INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders of Sysgration Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Sysgration Ltd. and subsidiaries (the "Group") as at September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2025 and 2024, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Chih, Ping-Chiun

Hsu, Ming-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

November 12, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

SYSGRATION LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 1,001,103	18	\$ 1,797,789	35	\$ 1,615,192	33
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		24,028	-	9,364	-	16,625	-
1136	Current financial assets at	6(1)(4) and 8						
	amortised cost		58,459	1	57,724	1	57,571	1
1140	Current contract assets	6(24)	25,705	1	37,082	1	78,836	2
1150	Notes receivable, net	6(5) and 12(2)	2,147	-	4,205	-	5,696	-
1170	Accounts receivable, net	6(5) and 12(2)	924,228	16	809,553	16	966,419	20
1180	Accounts receivable - related	7						
	parties		202	-	-	-	-	-
1200	Other receivables		12,649	-	14,507	-	8,464	-
130X	Inventories	6(6)	375,763	7	399,166	8	363,936	7
1470	Other current assets		96,114	2	85,924	2	112,672	2
11XX	Current assets		2,520,398	45	3,215,314	63	3,225,411	65
Non-current assets								
1510	Non-current financial assets at fair	6(2)						
	value through profit or loss		93,093	2	29,303	1	30,720	1
1517	Non-current financial assets at fair	6(3)						
	value through other comprehensive							
	income		926,224	16	226,120	4	221,047	4
1535	Non-current financial assets at	6(1)(4) and 8						
	amortised cost		42,101	1	42,234	1	42,132	1
1560	Non-current contract assets	6(24)	14,031	-	28,062	1	-	-
1600	Property, plant and equipment	6(8) and 8	1,620,400	29	1,288,899	25	1,218,172	24
1755	Right-of-use assets	6(9)	85,522	1	69,895	1	44,595	1
1760	Investment property - net	6(10)	3,647	-	3,750	-	3,785	-
1780	Intangible assets	6(11)	66,398	1	62,297	1	25,968	1
1840	Deferred income tax assets	6(31)	38,191	1	27,322	1	40,294	1
1900	Other non-current assets		236,879	4	85,401	2	117,549	2
15XX	Non-current assets		3,126,486	55	1,863,283	37	1,744,262	35
1XXX	Total assets		\$ 5,646,884	100	\$ 5,078,597	100	\$ 4,969,673	100

(Continued)

SYSGRATION LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(12)	\$ 339,897	6	\$ 8,956	-	\$ 19,046	-
2120	Financial liabilities at fair value through profit or loss - current	6(13)	-	-	-	-	1,699	-
2130	Current contract liabilities	6(24)	36,188	1	74,588	1	45,992	1
2150	Notes payable		3,631	-	234	-	-	-
2170	Accounts payable		433,213	8	536,397	11	550,911	11
2200	Other payables	6(16)	207,360	4	221,576	4	193,853	4
2230	Current income tax liabilities	6(31)	2,275	-	5,937	-	871	-
2250	Current provisions	6(19)	49,302	1	67,906	1	69,920	2
2280	Current lease liabilities		34,948	-	28,920	1	26,044	1
2320	Long-term liabilities, current portion	6(14)(15) and 8	163,644	3	591,094	12	596,968	12
2399	Other current liabilities, others		7,790	-	12,704	-	19,590	-
21XX	Current liabilities		<u>1,278,248</u>	<u>23</u>	<u>1,548,312</u>	<u>30</u>	<u>1,524,894</u>	<u>31</u>
	Non-current liabilities							
2540	Long-term borrowings	6(15) and 8	166,462	3	186,922	4	215,993	4
2550	Non-current provisions	6(19)	8,588	-	13,744	-	15,769	-
2570	Deferred income tax liabilities	6(31)	29,271	-	1,958	-	996	-
2580	Non-current lease liabilities		52,101	1	41,784	1	19,552	1
2600	Other non-current liabilities		3,767	-	430	-	431	-
25XX	Non-current liabilities		<u>260,189</u>	<u>4</u>	<u>244,838</u>	<u>5</u>	<u>252,741</u>	<u>5</u>
2XXX	Total liabilities		<u>1,538,437</u>	<u>27</u>	<u>1,793,150</u>	<u>35</u>	<u>1,777,635</u>	<u>36</u>
	Equity attributable to owners of parent							
	Share capital	6(20)						
3110	Ordinary shares		1,918,719	34	1,909,364	38	1,903,291	38
3130	Certificate of entitlement to new shares from convertible bonds		111,963	2	2,185	-	26	-
3140	Advance receipts for share capital		13,736	-	3,195	-	6,047	-
	Capital surplus	6(21)						
3200	Capital surplus		1,546,495	28	953,517	19	934,013	19
	Retained earnings	6(22)						
3310	Legal reserve		41,030	1	30,119	1	30,119	1
3320	Special reserve		68,451	1	76,332	2	76,332	1
3350	Retained earnings		72,980	1	170,621	3	169,334	3
	Other equity interest	6(23)						
3400	Other equity interest		(2,674)	-	(68,452)	(2)	(124,679)	(2)
3500	Treasury shares	6(20)	(73,952)	(1)	-	-	-	-
31XX	Equity attributable to owners of the parent		<u>3,696,748</u>	<u>66</u>	<u>3,076,881</u>	<u>61</u>	<u>2,994,483</u>	<u>60</u>
36XX	Non-controlling interests		<u>411,699</u>	<u>7</u>	<u>208,566</u>	<u>4</u>	<u>197,555</u>	<u>4</u>
3XXX	Total equity		<u>4,108,447</u>	<u>73</u>	<u>3,285,447</u>	<u>65</u>	<u>3,192,038</u>	<u>64</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		<u>\$ 5,646,884</u>	<u>100</u>	<u>\$ 5,078,597</u>	<u>100</u>	<u>\$ 4,969,673</u>	<u>100</u>

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

SYSGRATION LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Three months ended September 30				Nine months ended September 30			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(24)	\$ 815,075	100	\$ 694,319	100	\$ 2,521,163	100	\$ 2,345,871	100
5000 Operating costs	6(6)(17)(18)(29)(30) and 7	(641,500)	(79)	(543,443)	(78)	(1,936,961)	(77)	(1,790,318)	(76)
5900 Gross profit from operations		<u>173,575</u>	<u>21</u>	<u>150,876</u>	<u>22</u>	<u>584,202</u>	<u>23</u>	<u>555,553</u>	<u>24</u>
Operating expenses	6(17)(18)(29)(30)								
6100 Selling expenses		(24,082)	(3)	(23,095)	(3)	(82,153)	(3)	(78,690)	(4)
6200 Administrative expenses		(87,493)	(11)	(60,536)	(9)	(233,534)	(9)	(172,466)	(7)
6300 Research and development expenses		(97,351)	(12)	(81,284)	(12)	(274,310)	(11)	(236,875)	(10)
6450 Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	12(2)	(1,820)	-	(15,447)	(2)	4,375	-	(16,277)	(1)
6000 Total operating expenses		<u>(210,746)</u>	<u>(26)</u>	<u>(180,362)</u>	<u>(26)</u>	<u>(585,622)</u>	<u>(23)</u>	<u>(504,308)</u>	<u>(22)</u>
6900 Operating profit (loss)		<u>(37,171)</u>	<u>(5)</u>	<u>(29,486)</u>	<u>(4)</u>	<u>(1,420)</u>	<u>-</u>	<u>51,245</u>	<u>2</u>
Non-operating income and expenses									
7100 Interest income	6(25)	388	-	4,597	1	10,282	-	25,473	1
7010 Other income	6(26)	6,443	1	3,453	-	12,029	1	7,257	-
7020 Other gains and losses	6(27)	5,148	1	(13,407)	(2)	(13,249)	-	18,529	1
7050 Finance costs	6(28)	(4,314)	(1)	(5,198)	(1)	(14,610)	(1)	(13,822)	-
7060 Share of loss of associates and joint ventures accounted for using equity method	6(7)	-	-	-	-	-	-	(5,205)	-
7000 Total non-operating income and expenses		<u>7,665</u>	<u>1</u>	<u>(10,555)</u>	<u>(2)</u>	<u>(5,548)</u>	<u>-</u>	<u>32,232</u>	<u>2</u>
7900 Profit before income tax		<u>(29,506)</u>	<u>(4)</u>	<u>(40,041)</u>	<u>(6)</u>	<u>(6,968)</u>	<u>-</u>	<u>83,477</u>	<u>4</u>
7950 Income tax expense	6(31)	(4,084)	-	(287)	-	(12,662)	(1)	(2,916)	-
8200 Profit for the period		<u>(\$ 33,590)</u>	<u>(4)</u>	<u>(\$ 40,328)</u>	<u>(6)</u>	<u>(\$ 19,630)</u>	<u>(1)</u>	<u>\$ 80,561</u>	<u>4</u>
Other comprehensive income									
Components of other comprehensive income that will not be reclassified to profit or loss	6(3)(23)(31)								
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		\$ 186,937	23	(\$ 32,337)	(5)	\$ 167,039	7	\$ 17,490	1
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(36,558)	(5)	6,468	1	(34,595)	(1)	1,254	-
8310 Total other comprehensive income (loss) that will not be reclassified to profit or loss, net of tax		<u>150,379</u>	<u>18</u>	<u>(25,869)</u>	<u>(4)</u>	<u>132,444</u>	<u>6</u>	<u>18,744</u>	<u>1</u>
Components of other comprehensive income that will be reclassified to profit or loss	6(23)(31)								
8361 Exchange differences on translation		57,176	7	(22,696)	(3)	(91,251)	(4)	12,675	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss		(11,125)	(1)	4,539	1	18,152	1	(2,535)	-
8360 Total other comprehensive income (loss) that will be reclassified to profit or loss, net of tax		<u>46,051</u>	<u>6</u>	<u>(18,157)</u>	<u>(2)</u>	<u>(73,099)</u>	<u>(3)</u>	<u>10,140</u>	<u>-</u>
8300 Other comprehensive income (loss) for the period, net of tax		<u>\$ 196,430</u>	<u>24</u>	<u>(\$ 44,026)</u>	<u>(6)</u>	<u>\$ 59,345</u>	<u>3</u>	<u>\$ 28,884</u>	<u>1</u>
8500 Total comprehensive income (loss) for the period		<u>\$ 162,840</u>	<u>20</u>	<u>(\$ 84,354)</u>	<u>(12)</u>	<u>\$ 39,715</u>	<u>2</u>	<u>\$ 109,445</u>	<u>5</u>
Profit (loss), attributable to:									
8610 Owners of the parent		(\$ 19,897)	(2)	(\$ 38,299)	(6)	\$ 7,180	-	\$ 82,590	4
8620 Non-controlling interest		(13,693)	(2)	(2,029)	-	(26,810)	(1)	(2,029)	-
		<u>(\$ 33,590)</u>	<u>(4)</u>	<u>(\$ 40,328)</u>	<u>(6)</u>	<u>(\$ 19,630)</u>	<u>(1)</u>	<u>\$ 80,561</u>	<u>4</u>
Comprehensive income (loss) attributable to:									
8710 Owners of the parent		\$ 174,983	21	(\$ 82,325)	(12)	\$ 67,017	3	\$ 111,474	5
8720 Non-controlling interest		(12,143)	(1)	(2,029)	-	(27,302)	(1)	(2,029)	-
		<u>\$ 162,840</u>	<u>20</u>	<u>(\$ 84,354)</u>	<u>(12)</u>	<u>\$ 39,715</u>	<u>2</u>	<u>\$ 109,445</u>	<u>5</u>
Basic earnings (losses) per share	6(32)								
9750 Basic earnings (losses) per share		<u>(\$ 0.10)</u>		<u>(\$ 0.20)</u>		<u>\$ 0.04</u>		<u>\$ 0.43</u>	
Diluted earnings (losses) per share	6(32)								
9850 Diluted earnings (losses) per share		<u>(\$ 0.10)</u>		<u>(\$ 0.20)</u>		<u>\$ 0.04</u>		<u>\$ 0.43</u>	

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

SYSGRATION LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent												
		Share capital			Retained earnings			Other equity interest						
			Certificate of entitlement to new shares from convertible bond	Advance receipts for share capital	Total capital surplus, additional paid-in capital				Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interest	Total equity
	Notes	Ordinary shares				Legal reserve	Special reserve	Retained earnings						
Nine months ended September 30, 2024														
		\$ 1,845,849	\$ 55,073	\$ 2,264	\$ 899,048	\$ 4,497	\$ 1,563	\$ 295,125	(\$ 73,333)	(\$ 54,992)	\$ -	\$ 2,975,094	\$ -	\$ 2,975,094
		-	-	-	-	-	-	82,590	-	-	-	82,590	(2,029)	80,561
	6(23)	-	-	-	-	-	-	-	10,140	18,744	-	28,884	-	28,884
		-	-	-	-	-	-	82,590	10,140	18,744	-	111,474	(2,029)	109,445
	6(18)(21)	-	-	-	20,678	-	-	-	-	-	-	20,678	-	20,678
	6(14)(20)(21)	-	-	-	-	-	-	-	-	-	-	-	-	-
	(34)	55,073	(55,047)	-	69	-	-	-	-	-	-	95	-	95
	6(18)(20)(21)	2,369	-	3,783	14,218	-	-	-	-	-	-	20,370	-	20,370
	6(3)(23)	-	-	-	-	-	-	-	-	-	-	-	-	-
	6(22)	-	-	-	-	-	-	25,238	-	(25,238)	-	-	-	-
		-	-	-	-	25,622	-	(25,622)	-	-	-	-	-	-
		-	-	-	-	-	74,769	(74,769)	-	-	-	-	-	-
		-	-	-	-	-	-	(133,228)	-	-	-	(133,228)	-	(133,228)
	6(33)	-	-	-	-	-	-	-	-	-	-	-	199,584	199,584
		\$ 1,903,291	\$ 26	\$ 6,047	\$ 934,013	\$ 30,119	\$ 76,332	\$ 169,334	(\$ 63,193)	(\$ 61,486)	\$ -	\$ 2,994,483	\$ 197,555	\$ 3,192,038
2025														
		\$ 1,909,364	\$ 2,185	\$ 3,195	\$ 953,517	\$ 30,119	\$ 76,332	\$ 170,621	(\$ 36,757)	(\$ 31,695)	\$ -	\$ 3,076,881	\$ 208,566	\$ 3,285,447
		-	-	-	-	-	-	7,180	-	-	-	7,180	(26,810)	(19,630)
	6(23)	-	-	-	-	-	-	-	(72,607)	132,444	-	59,837	(492)	59,345
		-	-	-	-	-	-	7,180	(72,607)	132,444	-	67,017	(27,302)	39,715
	6(18)(21)	-	-	-	20,924	-	-	-	-	-	-	20,924	-	20,924
	6(14)(20)(21)	-	-	-	-	-	-	-	-	-	-	-	-	-
	(34)	2,970	109,778	-	307,808	-	-	-	-	-	-	420,556	-	420,556
	6(18)(20)(21)	6,385	-	10,541	42,374	-	-	-	-	-	-	59,300	-	59,300
	6(21)	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	260,212	-	-	-	-	-	-	260,212	(260,212)	-
	6(3)(23)	-	-	-	-	-	-	(5,941)	-	5,941	-	-	-	-
	6(20)	-	-	-	-	-	-	-	-	-	(73,952)	(73,952)	-	(73,952)
	6(22)	-	-	-	-	10,911	-	(10,911)	-	-	-	-	-	-
		-	-	-	-	-	(7,881)	7,881	-	-	-	-	-	-
		-	-	-	-	-	-	(95,850)	-	-	-	(95,850)	-	(95,850)
		-	-	-	(38,340)	-	-	-	-	-	-	(38,340)	-	(38,340)
		-	-	-	-	-	-	-	-	-	-	-	490,647	490,647
		\$ 1,918,719	\$ 111,963	\$ 13,736	\$ 1,546,495	\$ 41,030	\$ 68,451	\$ 72,980	(\$ 109,364)	\$ 106,690	(\$ 73,952)	\$ 3,696,748	\$ 411,699	\$ 4,108,447

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

SYSGRATION LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
(Loss) profit before tax		(\$ 6,968)	\$ 83,477
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on decline for inventory	6(6)	15,979	14,690
Share of loss of associates accounted for using equity method	6(7)	-	5,205
Interest income	6(25)	(10,282)	(25,473)
Dividend income	6(26)	(5,362)	(2,377)
Net (gain) loss on financial assets (liabilities) at fair value through loss	6(27)	(1,209)	2,361
(Gain) loss on disposal of property, plant and equipment	6(27)	(2,081)	1,329
Profit from lease modification	6(27)	(12)	-
Interest expense	6(28)	14,610	13,822
Depreciation	6(29)	135,529	124,183
Amortisation	6(29)	25,355	21,265
Share-based payments	6(30)	20,924	20,678
Expected credit impairment (gain) loss	12(2)	(4,375)	16,277
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		30,461	2,717
Notes receivable		2,072	3,872
Accounts receivable		(114,777)	(702)
Accounts receivable - related parties		(202)	-
Other receivables		401	14,862
Inventories		7,424	8,857
Other current assets		(10,190)	(60,295)
Changes in operating liabilities			
Contract liabilities		(38,400)	37,470
Notes payable		3,397	(936)
Accounts payable		(103,184)	(91,622)
Other payables		(20,007)	(61,629)
Other payables - related parties		-	(195)
Current provisions		(23,760)	20,495
Other current liabilities		(4,914)	3,882
Cash (outflow) inflow generated from operations		(89,571)	152,213
Interest received		11,214	27,315
Interest paid		(7,124)	(5,180)
Income tax paid		(15,937)	(1,357)
Dividend received		5,362	2,377
Net cash flows (used in) from operating activities		(96,056)	175,368

(Continued)

SYSGRATION LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30 2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through profit or loss		\$ 37,113	\$ 672
Acquisition of financial assets at fair value through profit or loss		(114,358)	(26,705)
Acquisition of investments accounted for using equity method	6(7)	-	(5,940)
Proceeds from disposal of financial assets at fair value through other comprehensive income		11,910	30,109
Acquisition of financial assets at fair value through other comprehensive income		(544,975)	(2,210)
Increase in financial assets at amortised cost		(602)	(50,346)
Increase in prepayments for investments		(8,887)	-
Acquisition of property, plant and equipment	6(34)	(484,407)	(548,797)
Proceeds from disposal of property, plant and equipment		3,610	1,280
Acquisition of intangible assets	6(11)	(29,560)	(20,490)
Increase in refundable deposits		(2,218)	(27)
Increase in prepayments for business facilities		(142,940)	(58,100)
Decrease (increase) in other non-current assets		496	(6,777)
Acquisition of subsidiaries	6(33)	-	172,734
Net cash flows used in investing activities		(1,274,818)	(514,597)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(35)	330,941	9,046
Proceeds from long-term borrowings	6(35)	90,883	(80,380)
Repayment of long-term borrowings	6(35)	(125,593)	-
Treasury stock acquired	6(20)	(73,952)	-
Exercise of employee share options	6(20)	59,300	20,370
Payments of lease liabilities	6(35)	(31,165)	(26,592)
Decrease in guarantee deposits received		(263)	(715)
Cash dividends paid	6(21)(22)	(134,190)	(133,228)
Change in non-controlling interest		490,647	-
Net cash flows from (used in) financing activities		606,608	(211,499)
Effect of exchange rate changes on cash and cash equivalents		(32,420)	1,595
Net decrease in cash and cash equivalents		(796,686)	(549,133)
Cash and cash equivalents at beginning of period	6(1)	1,797,789	2,164,325
Cash and cash equivalents at end of period	6(1)	<u>\$ 1,001,103</u>	<u>\$ 1,615,192</u>

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

SYSGRATION LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

SYSGRATION LTD. (the ‘Company’) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on October 14, 1977, and the Company’s shares have been approved by Securities and Futures Commission, Ministry of Finance to be officially traded on Taipei Exchange from December 1995. The Company and its subsidiaries (the ‘Group’) primarily engage in the manufacture and sale of automobile electronics products and power management products.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were reported to the Board of Directors on November 12, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of 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
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

- A. Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

The conditions for the exception are that the entity making the payment does not have:

- (a) the practical ability to withdraw, stop or cancel the payment instruction;
- (b) the practical ability to access the cash used for settlement; and
- (c) significant settlement risk.

- B. Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

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

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027(Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.	

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are

significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
SYSGRATION LTD.	SYSGRATION USA INC.	Sale of electronic products	100	100	100	
SYSGRATION LTD.	SYSGRATION (SAMOA) LTD.	Investment holding of overseas companies	100	100	100	
SYSGRATION LTD.	POWER TANK ENERGY LTD.	Manufacturing and sale of energy management products	72.41	100	100	Note 1
SYSGRATION LTD.	SYSGRATION INTERNATIONAL INC.	Investment holding of overseas companies	100	100	100	
SYSGRATION INTERNATIONAL INC.	SYSGRATION AMERICA CORPORATION	Manufacturing and sale of electronic products	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
POWER TANK ENERGY LTD.	SYSGRATION TECHNOLOGY (SAMOA) LTD.	Investment holding of overseas companies	100	100	100	
SYSGRATION TECHNOLOGY (SAMOA) LTD.	SYSGRATION ELECTRONICS TECHNOLOGY (ZHENJIANG) CO., LTD.	Manufacturing and sale of energy management products	100	100	0	
SYSGRATION (SAMOA) LTD.	SYSGRATION ELECTRONICS TECHNOLOGY (HUIZHOU) CO., LTD.	Manufacturing and sale of electronic products	100	100	100	
SYSGRATION LTD.	LEADRAY ENERGY CO., LTD.	Manufacturing and sale of solar energy and green capable equipment	38.2	36.62	36.62	Note 2

Note 1: POWER TANK ENERGY LTD. issued 6,000 thousands new shares on April 11, 2025.

The Group acquired 5,100 thousands shares partially; executed employee stock option by converting 3,600 thousands shares on June 6, 2025; On September 11, 2025, POWER TANK ENERGY LTD issued 7,000 thousands new shares. The Board of Directors of company resolved to waive participation in this capital increase, resulting in the Group's shareholding percentage decreasing to 72.41%.

Note 2: LEADRAY ENERGY CO, LTD. held a shareholders' meeting on June 28, 2024. The Group obtained more than half of the total number of directors; therefore, from that date, it was determined that the Group had control over LEADRAY ENERGY, and included LEADRAY ENERGY in the consolidated financial statements. Please refer to Note 6(7)A(c) for the related information. LEADRAY ENERGY CO, LTD. issued 5,000 thousands new shares on July 16, 2025. The Group acquired 2,435 thousands shares resulting in the Group's shareholding percentage increasing to 38.2%.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interest that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet,
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognized in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
- (b) Assets that are held primarily for the purpose of trading;
- (c) Assets that are expected to be realised within twelve months after the reporting period;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled in the normal operating cycle;
- (b) Liabilities that are held primarily for the purpose of trading;
- (c) Liabilities that are due to be settled within twelve months after the reporting period;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value and recognizes the gain or loss in profit or loss.
- D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortized cost

- A. Financial assets at amortized cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.

- B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost, at each reporting date, the Group recognize the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognize the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor) — operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or

indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the Group's share of change in equity of the associate in "capital surplus" in proportion to its ownership.
- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a

change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	2~55	years
Machinery	1~20	years
Maintenance equipment and tools	2~20	years
Office equipment	1~30	years
Transportation equipment	4~5	years
Leasehold improvements	1~5	years or lease period (whichever is shorter)
Others	1~16	years

(17) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable.
- (b) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

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

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference between remeasured lease liability in profit or loss.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 years.

(19) Intangible assets

Intangible assets, mainly computer software and patent rights, are amortized on a straight-line basis over their estimated useful lives of 1 ~ 10 years.

(20) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(22) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognized initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognized as

‘gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss’.

- B. The host contracts of bonds are initially recognized at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to ‘finance costs’ over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognized in ‘capital surplus—share options’ at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable or as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including ‘bonds payable’ and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and ‘capital surplus—share options’.

(24) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(25) Non-hedging and embedded derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(26) Provisions

Provisions (including warranties) are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(27) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as

expense in that period when the employees render service.

B. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognizes expense as it can no longer withdraw an offer of termination benefits or it recognize relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(28) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(29) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns

with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- F. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(30) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(31) Dividends

Cash dividends are recorded in the Company's financial statements in the period in which they are resolved by the Board of Directors. Cash dividends are recorded as liabilities.

(32) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells automobile electronics products and power management products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Construction revenue

- (a) The Group undertakes and outsources construction projects such as solar power generation systems. As the costs incurred for construction are directly related to the stage of completion of the performance obligation, the Group recognizes revenue based on costs incurred relative to the total expected costs of that performance obligation.
- (b) The contract assets are recognized based on the proportion of costs incurred for construction over time. Contract assets are reclassified to accounts receivable at the point at which invoices have been billed to customers monthly and at the amount to which the Group has the right to invoice. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(33) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(34) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities

and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(35) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Judgement of whether the Group has substantive control over its investees

The Group holds 38.2% of the voting shares and is the sole largest shareholder of LEADRAY ENERGY CO, LTD.. LEADRAY ENERGY CO, LTD. held a shareholders' meeting on June 28, 2024. The Group obtained more than half of the total number of directors; therefore, it was determined that the Group had control over LEADRAY ENERGY and included LEADRAY ENERGY in the consolidated financial statements.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the

rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Cash on hand and revolving funds	\$ 726	\$ 826	\$ 820
Checking accounts and demand deposits	1,000,377	979,113	1,138,747
Time deposits	-	817,850	475,625
	<u>\$ 1,001,103</u>	<u>\$ 1,797,789</u>	<u>\$ 1,615,192</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of September 30, 2025, December 31, 2024 and September 30, 2024, cash and cash equivalents amounting to \$47,221, \$46,921 and \$42,132, respectively, were pledged to others as collateral on long-term borrowings and were classified as financial assets at amortized cost.

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

<u>Items</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 25,179	\$ 8,515	\$ 17,705
Derivatives	122	197	6
	25,301	8,712	17,711
Valuation adjustment	(1,273)	652	(1,086)
	<u>\$ 24,028</u>	<u>\$ 9,364</u>	<u>\$ 16,625</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Private equity fund	\$ 30,000	\$ 30,000	\$ 30,000
Unlisted stocks	59,295	-	-
	89,295	30,000	30,000
Valuation adjustment	3,798	(697)	720
	<u>\$ 93,093</u>	<u>\$ 29,303</u>	<u>\$ 30,720</u>

A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three months ended September 30, 2025	Three months ended September 30, 2024
Financial assets mandatorily measured at fair value through profit or loss		
Debt instruments	\$ 4,888	(\$ 2,076)
Equity instruments	(902)	(312)
Derivatives	(122)	241
	<u>\$ 3,864</u>	<u>(\$ 2,147)</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Financial assets mandatorily measured at fair value through profit or loss		
Debt instruments	\$ 4,495	(\$ 3,383)
Equity instruments	(3,211)	(647)
Derivatives	(75)	118
	<u>\$ 1,209</u>	<u>(\$ 3,912)</u>

B. Derivatives as of September 30, 2025 and December 31, 2024 refer to the redemption rights of the convertible bonds issued by the Group.

C. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

	September 30, 2024	
Derivative financial instrument	Contract amount (notional principal)	Contract period
Current items:		
Forward foreign exchange contracts	USD 1,000 thousand	2024/9/30-2024/10/25

D. Details of the Group's financial assets at fair value through profit or loss not pledged to others as collateral.

E. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

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

Items	September 30, 2025	December 31, 2024	September 30, 2024
Non-current items:			
Equity instruments			
Listed stocks	\$ 320,512	\$ 5,693	\$ 5,693
Emerging stocks	53,019	60,786	60,786
Unlisted stocks	<u>419,330</u>	<u>199,258</u>	<u>231,426</u>
	792,861	265,737	297,905
Valuation adjustment	<u>133,363</u>	<u>(39,617)</u>	<u>(76,858)</u>
	<u>\$ 926,224</u>	<u>\$ 226,120</u>	<u>\$ 221,047</u>

- A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.
- B. For the nine months ended September 30, 2025 and 2024, the Company has disposed stock of the investee company. Realized gain (loss) has been transferred to retained earnings from other equity.
- C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended September 30, 2025	Three months ended September 30, 2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 186,937	(\$ 26,397)
Cumulative gains (loss) reclassified to retained earnings due to derecognition	\$ 4,143	\$ -
Dividend income recognised in profit or loss	\$ 5,144	\$ 2,253
Held at end of period	Nine months ended September 30, 2025	Nine months ended September 30, 2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 167,039	\$ 23,430
Cumulative gains (loss) reclassified to retained earnings due to derecognition	(\$ 5,941)	\$ 25,238
Dividend income recognised in profit or loss	\$ 5,362	\$ 2,377
Held at end of period		

- D. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group were \$926,224, \$226,120 and \$221,047 as at September 30, 2025, December 31, 2024 and September 30, 2024, respectively.
- E. The Group had no financial assets at fair value through other comprehensive income pledged to others as collateral.
- F. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets at amortized cost

Items	September 30, 2025	December 31, 2024	September 30, 2024
Current items:			
Time deposits	\$ 53,339	\$ 53,037	\$ 57,571
Pledged time deposits	5,120	4,687	-
	<u>58,459</u>	<u>57,724</u>	<u>57,571</u>
Non-current items:			
Pledged time deposits	42,101	42,234	42,132
	<u>\$ 100,560</u>	<u>\$ 99,958</u>	<u>\$ 99,703</u>

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Three months ended September 30, 2025	Three months ended September 30, 2024
Interest income	<u>\$ 307</u>	<u>\$ 43</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Interest income	<u>\$ 1,611</u>	<u>\$ 125</u>

B. As at September 30, 2025, December 31, 2024 and September 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group were \$100,560, \$99,958 and \$99,703, respectively.

C. Details of the Group's financial assets at amortized cost pledged to others as collateral are provided in Note 8.

(5) Notes and accounts receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	\$ 2,147	\$ 4,219	\$ 5,717
Less: Allowance for uncollectible accounts	-	(14)	(21)
	<u>\$ 2,147</u>	<u>\$ 4,205</u>	<u>\$ 5,696</u>
Accounts receivable	\$ 943,812	\$ 830,532	\$ 994,868
Less: Allowance for uncollectible accounts	(19,584)	(20,979)	(28,449)
	<u>\$ 924,228</u>	<u>\$ 809,553</u>	<u>\$ 966,419</u>

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	September 30, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 655,741	\$ 2,147	\$ 485,383	\$ 4,205
Up to 30 days	128,744	-	77,274	-
31 to 120 days	136,983	-	228,433	-
121 to 180 days	1,621	-	15,453	-
Over 180 days	1,139	-	3,010	-
	<u>\$ 924,228</u>	<u>\$ 2,147</u>	<u>\$ 809,553</u>	<u>\$ 4,205</u>

	September 30, 2024	
	Accounts receivable	Notes receivable
Not past due	\$ 544,847	\$ 5,497
Up to 30 days	91,308	199
31 to 120 days	236,082	-
121 to 180 days	83,277	-
Over 180 days	10,905	-
	<u>\$ 966,419</u>	<u>\$ 5,696</u>

The above ageing analysis was based on past due date.

- B. As of September 30, 2025, December 31, 2024 and September 30, 2024, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to \$986,079.
- C. As at September 30, 2025, December 31, 2024 and September 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$2,147, \$4,205 and \$5,696, respectively; the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$924,228, \$809,553 and \$966,419, respectively.
- D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

September 30, 2025			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 275,843	(\$ 45,275)	\$ 230,568
Work in progress	13,672	(554)	13,118
Finished goods	143,202	(11,125)	132,077
	<u>\$ 432,717</u>	<u>(\$ 56,954)</u>	<u>\$ 375,763</u>
December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 275,985	(\$ 33,983)	\$ 242,002
Work in progress	38,059	(1,244)	36,815
Finished goods	126,551	(6,202)	120,349
	<u>\$ 440,595</u>	<u>(\$ 41,429)</u>	<u>\$ 399,166</u>
September 30, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 242,196	(\$ 38,012)	\$ 204,184
Work in progress	24,021	-	24,021
Finished goods	144,679	(8,948)	135,731
	<u>\$ 410,896</u>	<u>(\$ 46,960)</u>	<u>\$ 363,936</u>

The cost of inventories recognized as expense for the period:

	Three months ended September 30, 2025	Three months ended September 30, 2024
Cost of goods sold	\$ 602,960	\$ 515,862
Cost of construction and other	32,867	13,488
Loss on decline in market value	5,673	14,093
	<u>\$ 641,500</u>	<u>\$ 543,443</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Cost of goods sold	\$ 1,816,490	\$ 1,762,140
Cost of construction and other	104,492	13,488
Loss on decline in market value	15,979	14,690
	<u>\$ 1,936,961</u>	<u>\$ 1,790,318</u>

The Group had no inventories pledged to others as collateral.

(7) Investments accounted for using equity method

	<u>2024</u>
At January 1	\$ 127,494
Addition of investments accounted for using equity method	5,940
Share of profit and loss of investments accounted for using new equity method	(5,205)
Effects of new consolidated entities	(128,229)
At September 30	<u>\$ -</u>
	<u>September 30, 2024</u>
Associates:	
LEADRAY ENERGY CO., LTD	<u>\$ -</u>

A. Associates

- (a) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of September 30, 2024, the carrying amount of the Group's individually immaterial associates was \$0.

	Nine months ended September 30, 2024 (Note)
Loss for the period from continuing operations	(\$ 5,205)
Total comprehensive loss	(\$ 5,205)
Note: Share of operation result from January 1 to June 28 of 2024.	

- (b) The Group is the single largest shareholder of LEADRAY ENERGY CO., LTD. with a 36.62% equity interest. The Group obtained more than half of the total number of directors at the shareholders' meeting of LEADRAY ENERGY on June 28, 2024, and determined that the Group had control over it. Therefore, starting from June 28, 2024, LEADRAY ENERGY has been included in the consolidated financial statements.

(8) Property, plant and equipment

	2025									
	Land	Buildings and structures	Machinery	Maintenance equipment and tools	Office equipment	Transportation equipment	Leasehold improvements	Others	Unfinished projects and equipment to be inspected	Total
At January 1										
Cost	\$ 34,593	\$ 421,299	\$ 458,568	\$ 26,018	\$ 44,120	\$ 17,636	\$ 23,964	\$ 321,606	\$ 577,539	\$ 1,925,343
Accumulated depreciation and impairment	-	(169,533)	(274,969)	(15,782)	(34,897)	(10,928)	(20,707)	(109,628)	-	(636,444)
	<u>\$ 34,593</u>	<u>\$ 251,766</u>	<u>\$ 183,599</u>	<u>\$ 10,236</u>	<u>\$ 9,223</u>	<u>\$ 6,708</u>	<u>\$ 3,257</u>	<u>\$ 211,978</u>	<u>\$ 577,539</u>	<u>\$ 1,288,899</u>
Opening net book amount as at January 1	\$ 34,593	\$ 251,766	\$ 183,599	\$ 10,236	\$ 9,223	\$ 6,708	\$ 3,257	\$ 211,978	\$ 577,539	\$ 1,288,899
Additions	-	32,639	31,615	11,236	12,612	10,304	872	17,500	376,891	493,669
Disposals	-	-	(132)	-	(65)	(1,204)	-	(128)	-	(1,529)
Transfer	-	-	2,096	-	-	-	-	(25)	-	2,071
Depreciation charge	-	(11,655)	(44,114)	(3,189)	(6,720)	(2,834)	(1,607)	(33,375)	-	(103,494)
Net exchange differences	-	(694)	(2,185)	(476)	(291)	(189)	(66)	(4,714)	(50,601)	(59,216)
Closing net book amount as at September 30	<u>\$ 34,593</u>	<u>\$ 272,056</u>	<u>\$ 170,879</u>	<u>\$ 17,807</u>	<u>\$ 14,759</u>	<u>\$ 12,785</u>	<u>\$ 2,456</u>	<u>\$ 191,236</u>	<u>\$ 903,829</u>	<u>\$ 1,620,400</u>
At September 30										
Cost	\$ 34,593	\$ 447,445	\$ 397,866	\$ 29,294	\$ 29,769	\$ 21,516	\$ 23,429	\$ 293,891	\$ 903,829	\$ 2,181,632
Accumulated depreciation and impairment	-	(175,389)	(226,987)	(11,487)	(15,010)	(8,731)	(20,973)	(102,655)	-	(561,232)
	<u>\$ 34,593</u>	<u>\$ 272,056</u>	<u>\$ 170,879</u>	<u>\$ 17,807</u>	<u>\$ 14,759</u>	<u>\$ 12,785</u>	<u>\$ 2,456</u>	<u>\$ 191,236</u>	<u>\$ 903,829</u>	<u>\$ 1,620,400</u>

	2024									
	Land	Buildings and structures	Machinery	Maintenance equipment and tools	Office equipment	Transportation equipment	Leasehold improvements	Others	Unfinished projects and equipment to be inspected	Total
At January 1										
Cost	\$ 18,807	\$ 312,056	\$ 505,858	\$ 20,336	\$ 145,574	\$ 20,780	\$ 23,802	\$ 32,947	\$ -	\$ 1,080,160
Accumulated depreciation and impairment	-	(138,689)	(224,656)	(14,769)	(94,165)	(10,700)	(21,675)	(20,729)	-	(525,383)
	<u>\$ 18,807</u>	<u>\$ 173,367</u>	<u>\$ 281,202</u>	<u>\$ 5,567</u>	<u>\$ 51,409</u>	<u>\$ 10,080</u>	<u>\$ 2,127</u>	<u>\$ 12,218</u>	<u>\$ -</u>	<u>\$ 554,777</u>
Opening net book amount as at January 1	\$ 18,807	\$ 173,367	\$ 281,202	\$ 5,567	\$ 51,409	\$ 10,080	\$ 2,127	\$ 12,218	\$ -	\$ 554,777
Additions	-	-	25,039	3,371	2,616	-	-	5,376	493,289	529,691
Acquired from business combinations	3,999	59,377	-	-	-	175	-	55,157	-	118,708
Disposals	-	-	(1,088)	(751)	(32)	-	-	(738)	-	(2,609)
Transfer	-	-	(72,131)	1,544	(37,678)	-	-	136,084	78,064	105,883
Depreciation charge	-	(7,642)	(46,567)	(757)	(7,984)	(2,775)	(1,109)	(30,334)	-	(97,168)
Net exchange differences	-	-	6,851	225	2,040	148	72	(446)	-	8,890
Closing net book amount as at September 30	<u>\$ 22,806</u>	<u>\$ 225,102</u>	<u>\$ 193,306</u>	<u>\$ 9,199</u>	<u>\$ 10,371</u>	<u>\$ 7,628</u>	<u>\$ 1,090</u>	<u>\$ 177,317</u>	<u>\$ 571,353</u>	<u>\$ 1,218,172</u>
At September 30										
Cost	\$ 22,806	\$ 391,057	\$ 462,724	\$ 26,002	\$ 45,664	\$ 19,462	\$ 21,590	\$ 277,638	\$ 571,353	\$ 1,838,296
Accumulated depreciation and impairment	-	(165,955)	(269,418)	(16,803)	(35,293)	(11,834)	(20,500)	(100,321)	-	(620,124)
	<u>\$ 22,806</u>	<u>\$ 225,102</u>	<u>\$ 193,306</u>	<u>\$ 9,199</u>	<u>\$ 10,371</u>	<u>\$ 7,628</u>	<u>\$ 1,090</u>	<u>\$ 177,317</u>	<u>\$ 571,353</u>	<u>\$ 1,218,172</u>

- A. The significant components of buildings and structures include main plants and structure improvements, which are depreciated over 55 and 2~45 years, respectively.
- B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.
- C. The Group's property, plant and equipment were all for self-use.

(9) Leasing arrangements — lessee

- A. The Group leases various assets including buildings and transportation equipment. Rental contracts are typically made for periods of 2 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes and sublet without agreement.
- B. Short-term leases with a lease term of 12 months or less comprise offices. On September 30, 2025, December 31, 2024 and September 30, 2024, payments of lease commitments for short-term leases amounted to \$3,171, \$1,593 and \$751, respectively.

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 54,134	\$ 42,042	\$ 40,543
Land	20,729	23,003	-
Transportation equipment	10,659	4,850	4,052
	<u>\$ 85,522</u>	<u>\$ 69,895</u>	<u>\$ 44,595</u>
		<u>Three months ended</u>	<u>Three months ended</u>
		<u>September 30, 2025</u>	<u>September 30, 2024</u>
		<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings		\$ 9,275	\$ 8,464
Land		428	-
Transportation equipment		1,248	482
		<u>\$ 10,951</u>	<u>\$ 8,946</u>
		<u>Nine months ended</u>	<u>Nine months ended</u>
		<u>September 30, 2025</u>	<u>September 30, 2024</u>
		<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings		\$ 26,894	\$ 25,252
Land		2,274	-
Transportation equipment		2,764	1,660
		<u>\$ 31,932</u>	<u>\$ 26,912</u>

- D. For the three months and nine months ended September 30, 2025 and 2024, the additions to right-of-use assets were \$1,144, \$0, \$52,493 and \$601, respectively

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 438	\$ 180
Expense on short-term lease contracts	1,068	508
Gains arising from lease modifications	-	-
	<u>\$ 1,506</u>	<u>\$ 688</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,373	\$ 642
Expense on short-term lease contracts	3,171	751
Gains arising from lease modifications	(12)	-
	<u>\$ 4,532</u>	<u>\$ 1,393</u>

F. For the three months and nine months ended September 30, 2025 and 2024, the Group's total cash outflow for leases were \$12,397, \$9,323, \$35,709 and \$27,985, respectively.

(10) Investment property

	2025	2024
	Buildings	Buildings
At January 1		
Cost	\$ 7,000	\$ 7,000
Accumulated depreciation	(3,250)	(3,112)
	<u>\$ 3,750</u>	<u>\$ 3,888</u>
Opening net book amount as at January 1	\$ 3,750	\$ 3,888
Depreciation charge	(103)	(103)
Closing net book amount as at September 30	<u>\$ 3,647</u>	<u>\$ 3,785</u>
At September 30		
Cost	\$ 7,000	\$ 7,000
Accumulated depreciation and impairment	(3,353)	(3,215)
	<u>\$ 3,647</u>	<u>\$ 3,785</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Three months ended September 30, 2025	Three months ended September 30, 2024
Rental income from investment property	\$ 62	\$ 62
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 35	\$ 34
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Rental income from investment property	\$ 185	\$ 185
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 103	\$ 103

B. The fair values of the investment property held by the Group As of September 30, 2025, December 31, 2024 and September 30, 2024, were all \$7,000, which was based on the trading prices of similar prices in the neighboring areas.

C. The Group had no investment property pledged to others as collateral.

(11) Intangible assets

	2025		
	Patent right	Software	Total
At January 1			
Cost	\$ 502	\$ 85,461	\$ 85,963
Accumulated amortization and impairment	(411)	(23,255)	(23,666)
	<u>\$ 91</u>	<u>\$ 62,206</u>	<u>\$ 62,297</u>
Opening net book amount as at January 1	\$ 91	\$ 62,206	\$ 62,297
Additions	-	29,560	29,560
Amortization charge	(36)	(25,319)	(25,355)
Net exchange differences	(4)	(100)	(104)
Closing net book amount as at September 30	<u>\$ 51</u>	<u>\$ 66,347</u>	<u>\$ 66,398</u>
At September 30			
Cost	\$ 479	\$ 98,319	\$ 98,798
Accumulated amortization and impairment	(428)	(31,972)	(32,400)
	<u>\$ 51</u>	<u>\$ 66,347</u>	<u>\$ 66,398</u>

	2024		
	Patent right	Software	Total
At January 1			
Cost	\$ 485	\$ 95,914	\$ 96,399
Accumulated amortization and impairment	(348)	(69,423)	(69,771)
	<u>\$ 137</u>	<u>\$ 26,491</u>	<u>\$ 26,628</u>
Opening net book amount as at January 1	\$ 137	\$ 26,491	\$ 26,628
Additions	-	20,490	20,490
Disposal on cost	-	(5,964)	(5,964)
Disposal on accumulated amortisation	-	5,964	5,964
Amortization charge	(37)	(21,228)	(21,265)
Net exchange differences	6	109	115
Closing net book amount as at September 30	<u>\$ 106</u>	<u>\$ 25,862</u>	<u>\$ 25,968</u>
At September 30			
Cost	\$ 507	\$ 69,390	\$ 69,897
Accumulated amortization and impairment	(401)	(43,528)	(43,929)
	<u>\$ 106</u>	<u>\$ 25,862</u>	<u>\$ 25,968</u>

Details of amortization on intangible assets are as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024
Operating costs	\$ 1,502	\$ 1,072
Selling expenses	410	265
Administrative expenses	4,259	2,426
Research and development expenses	3,036	3,508
	<u>\$ 9,207</u>	<u>\$ 7,271</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Operating costs	\$ 4,050	\$ 3,065
Selling expenses	1,115	893
Administrative expenses	11,133	7,090
Research and development expenses	9,057	10,217
	<u>\$ 25,355</u>	<u>\$ 21,265</u>

(12) Short-term borrowings

Type of borrowings	September 30, 2025	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	\$ <u>339,897</u>	1.83%-3.2%	None
Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	\$ <u>8,956</u>	3.00%	None
Type of borrowings	September 30, 2024	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	\$ 9,046	3.00%	None
Secured borrowings	<u>10,000</u>	2.83%	Small and Medium Enterprise Credit Guarantee Fund
	\$ <u>19,046</u>		

Information relating to interest expense recognized in profit or loss amounted is provided in Note 6(28).

(13) Financial liabilities at fair value through profit or loss

Items	September 30, 2025	December 31, 2024	September 30, 2024
Current items:			
Financial liabilities designated as at fair value through profit or loss			
Derivative instruments	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,699</u>

A. Amounts recognized in profit or loss in relation to financial liabilities at fair value through profit or loss are as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024
Financial assets designated as at fair value through profit or loss		
Derivative instruments	\$ <u>-</u>	\$ <u>1,001</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Financial assets designated as at fair value through profit or loss		
Derivative instruments	\$ <u>-</u>	\$ <u>1,551</u>

B. Derivatives are call options of the convertible bonds issued by the Company.

(14) Bonds payable

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Bonds payable	\$ 60,700	\$ 491,400	\$ 499,900
Less: Discount on bonds payable	(1,229)	(18,729)	(22,015)
	59,471	472,671	477,885
Less: Current portion or exercise of put options	(59,471)	(472,671)	(477,885)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A. The issuance of domestic convertible bonds by the Company:

(a) The terms of the fifth domestic secured convertible bonds issued by the Company are as follows:

- i. The Company issued \$500,000, 0% of coupon rate, fifth domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (August 8, 2023 ~ August 8, 2026) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on August 8, 2023.
- ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after 3 months (November 9, 2023) of the bonds issue to the maturity date (August 8, 2026), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted; however, the conversion price of the convertible bonds was NT\$39.7 (in dollars) per share. Due to the distribution of cash dividends of the common shares, it has been adjusted in accordance with Article 11 of the Regulations for the Issuance and Conversion of the fifth Unsecured Convertible Corporate Bonds in Taiwan. Since June 17, 2024, the conversion price was adjusted from NT\$39.7 per share to NT\$38.9 per share. In addition, since June 10, 2025, the conversion price was adjusted from NT\$38.9 per share to NT\$38.2 per share.
- iv. The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 0.5006% of the face value as interests upon two years from the issue date.
- v. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during

the period from the date after three month of the bonds issue (November 9, 2023) to 40 days before the maturity date (June 29, 2026), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue (November 9, 2023) to 40 days before the maturity date (June 29, 2026).

vi. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

vii. As of September 30, 2025, convertible bonds with a total face value of \$4,393,000 have been converted into 11,495,880 shares of common stock, of which 11,196,268 shares were approved by the Board of Directors on November 12, 2025, with the capital increase base date set on November 12, 2025.

B. Regarding the issuance of convertible bonds, the non-equity conversion options, call options, put options and conversion price resetting options embedded in bonds payable were separated from their host contracts which was classified as ‘capital surplus—share options’ amounting to \$30,085 and were recognized in ‘financial assets or liabilities at fair value through profit or loss’ in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation was 2.4894%.

C. The Company’s Board of Directors resolved on September 17, 2025, to issue the sixth and seventh series of unsecured convertible bonds domestically, both of which were filed and declared effective on November 12, 2025, the Chairman is authorized to determine the issuance date.

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2025
Unsecured borrowings	Borrowing period is from December 1, 2020 to November 15, 2025; interest is repayable monthly.	1.875%	None.	\$ 2,000
Unsecured borrowings	Borrowing period is from December 1, 2020 to November 15, 2025; interest is repayable monthly.	1.785%	None.	1,017
Secured borrowings	Borrowing period is from April 15, 2021 to April 15, 2026; interest is repayable monthly.	2.125%	Note	7,805
Unsecured borrowings	Borrowing period is from May 17, 2021 to May 17, 2026; interest is repayable monthly.	2.07%	None.	4,533
Secured borrowings	Borrowing period is from December 29, 2021 to April 15, 2026; interest is repayable monthly.	2.125%	Note	2,464

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2025	
Unsecured borrowings	Borrowing period is from March 30, 2022 to March 30, 2027; interest is repayable monthly.	1.82%	None.	\$	13,800
Secured borrowings	Borrowing period is from April 15, 2022 to April 15, 2027; interest is repayable monthly.	1.775%	Note		15,200
Secured borrowings	Borrowing period is from May 16, 2022 to May 16, 2027; interest is repayable monthly.	2.055%	Note		26,667
Secured borrowings	Borrowing period is from October 17, 2022 to October 15, 2027; interest is repayable monthly.	1.625%	Note		9,547
Secured borrowings	Borrowing period is from March 10, 2023 to October 15, 2027; interest is repayable monthly.	1.625%	Note		11,572
Secured borrowings	Borrowing period is from September 12, 2023 to October 15, 2027; interest is repayable monthly.	1.625%	Note		16,154
Secured borrowings	Borrowing period is from December 26, 2023 to December 26, 2028; interest is repayable monthly.	1.975%	Note		19,942
Unsecured borrowings	Borrowing period is from September 2, 2025 to September 2, 2027; interest is repayable monthly.	2.020%	None.		30,000
Secured borrowings	Borrowing period is from December 16, 2014 to December 16, 2029; interest is repayable monthly.	2.790%	Note		1,440
Secured borrowings	Borrowing period is from March 25, 2021 to March 25, 2028; interest is repayable monthly.	3.720%	Note		2,384
Secured borrowings	Borrowing period is from March 25, 2021 to March 25, 2028; interest is repayable monthly.	2.930%	Note		14,947
Secured borrowings	Borrowing period is from August 20, 2021 to August 20, 2028; interest is repayable monthly.	3.090%	Note		11,472
Secured borrowings	Borrowing period is from June 4, 2024 to June 4, 2029; interest is repayable monthly.	2.220%	Note		26,250
Secured borrowings	Borrowing period is from January 3, 2025 to January 3, 2032; interest is repayable monthly.	2.690%	Note		13,882
Secured borrowings	Borrowing period is from January 3, 2025 to January 3, 2032; interest is repayable monthly.	2.690%	Note		15,219

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Unsecured borrowings	Borrowing period is from February 17, 2025 to February 17, 2028; interest is repayable monthly.	2.475%	None.	\$ 24,340
				270,635
Less: Current portion				(104,173)
				\$ 166,462

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Unsecured borrowings	Borrowing period is from December 1, 2020 to November 15, 2025; interest is repayable monthly.	1.875%	None.	\$ 11,000
Unsecured borrowings	Borrowing period is from December 1, 2020 to November 15, 2025; interest is repayable monthly.	1.785%	None.	5,593
Secured borrowings	Borrowing period is from April 15, 2021 to April 15, 2026; interest is repayable monthly.	2.125%	Note	17,840
Unsecured borrowings	Borrowing period is from May 17, 2021 to May 17, 2026; interest is repayable monthly.	2.07%	None.	9,633
Secured borrowings	Borrowing period is from December 29, 2021 to April 15, 2026; interest is repayable monthly.	2.125%	Note	5,631
Unsecured borrowings	Borrowing period is from March 30, 2022 to March 30, 2027; interest is repayable monthly.	1.82%	None.	20,700
Secured borrowings	Borrowing period is from April 15, 2022 to April 15, 2027; interest is repayable monthly.	1.775%	Note	22,400
Secured borrowings	Borrowing period is from May 16, 2022 to May 16, 2027; interest is repayable monthly.	2.055%	Note	38,667
Secured borrowings	Borrowing period is from October 17, 2022 to October 15, 2027; interest is repayable monthly.	1.625%	Note	12,983
Secured borrowings	Borrowing period is from March 10, 2023 to October 15, 2027; interest is repayable monthly.	1.625%	Note	15,738
Secured borrowings	Borrowing period is from September 12, 2023 to October 15, 2027; interest is repayable monthly.	1.625%	Note	21,970
Secured borrowings	Borrowing period is from December 26, 2023 to December 26, 2028; interest is repayable monthly.	1.975%	Note	24,544
Secured borrowings	Borrowing period is from December 16, 2014 to December 16, 2029; interest is repayable monthly.	2.790%	Note	1,677

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Secured borrowings	Borrowing period is from March 25, 2021 to March 25, 2028; interest is repayable monthly.	3.720%	Note	\$ 3,057
Secured borrowings	Borrowing period is from March 25, 2021 to March 25, 2028; interest is repayable monthly.	2.930%	Note	19,223
Secured borrowings	Borrowing period is from August 20, 2021 to August 20, 2028; interest is repayable monthly.	3.090%	Note	12,340
Secured borrowings	Borrowing period is from December 21, 2022 to December 21, 2034; interest is repayable monthly.	3.180%	Note	1,441
Secured borrowings	Borrowing period is from December 21, 2022 to December 21, 2034; interest is repayable monthly.	2.980%	Note	10,045
Secured borrowings	Borrowing period is from December 21, 2022 to December 21, 2034; interest is repayable monthly.	3.180%	Note	9,994
Secured borrowings	Borrowing period is from December 21, 2022 to December 21, 2034; interest is repayable monthly.	2.980%	Note	9,369
Secured borrowings	Borrowing period is from June 4, 2024 to June 4, 2029; interest is repayable monthly.	2.220%	Note	31,500
				305,345
Less: Current portion				(118,423)
				<u>\$ 186,922</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2024
Unsecured borrowings	Borrowing period is from December 1, 2020 to November 15, 2025; interest is repayable monthly.	1.875%	None.	\$ 14,000
Unsecured borrowings	Borrowing period is from December 1, 2020 to November 15, 2025; interest is repayable monthly.	1.785%	None.	7,118
Secured borrowings	Borrowing period is from April 15, 2021 to April 15, 2026; interest is repayable monthly.	1.625%	Note	21,185
Unsecured borrowings	Borrowing period is from May 17, 2021 to May 17, 2026; interest is repayable monthly.	2.07%	None.	11,333

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2024
Secured borrowings	Borrowing period is from December 29, 2021 to April 15, 2026; interest is repayable monthly.	1.625%	Note	\$ 6,686
Unsecured borrowings	Borrowing period is from March 30, 2022 to March 30, 2027; interest is repayable monthly.	1.82%	None.	23,000
Secured borrowings	Borrowing period is from April 15, 2022 to April 15, 2027; interest is repayable monthly.	1.775%	Note	24,800
Secured borrowings	Borrowing period is from May 16, 2022 to May 16, 2027; interest is repayable monthly.	1.555%	Note	42,667
Secured borrowings	Borrowing period is from October 17, 2022 to October 15, 2027; interest is repayable monthly.	1.625%	Note	14,129
Secured borrowings	Borrowing period is from March 10, 2023 to October 15, 2027; interest is repayable monthly.	1.625%	Note	17,127
Secured borrowings	Borrowing period is from September 12, 2023 to October 15, 2027; interest is repayable monthly.	1.625%	Note	23,908
Secured borrowings	Borrowing period is from December 26, 2023 to December 26, 2028; interest is repayable monthly.	1.475%	Note	26,078
Secured borrowings	Borrowing period is from December 16, 2014 to December 16, 2029; interest is repayable monthly.	2.790%	Note	1,755
Secured borrowings	Borrowing period is from March 25, 2021 to March 25, 2028; interest is repayable monthly.	3.720%	Note	3,277
Secured borrowings	Borrowing period is from March 25, 2021 to March 25, 2028; interest is repayable monthly.	2.930%	Note	20,627
Secured borrowings	Borrowing period is from August 20, 2021 to August 20, 2028; interest is repayable monthly.	3.090%	Note	12,629

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2024
Secured borrowings	Borrowing period is from December 21, 2022 to December 21, 2034; interest is repayable monthly.	3.180%	Note	\$ 11,678
Secured borrowings	Borrowing period is from December 21, 2022 to December 21, 2034; interest is repayable monthly.	2.980%	Note	19,829
Secured borrowings	Borrowing period is from June 4, 2024 to June 4, 2029; interest is repayable monthly.	0.500%	Note	33,250
				<u>335,076</u>
Less: Current portion				(119,083)
				<u>\$ 215,993</u>

Note: Information about the assets that were pledged to long-term borrowings as collaterals is provided in Note 8.

A. Information relating to interest expense recognized in profit or loss amounted is provided in Note 6(28).

B. Aforementioned borrowings from financial institutions are guaranteed by related parties as joint guarantor, please refer to Note 7 for details.

(16) Other payables

	September 30, 2025	December 31, 2024	September 30, 2024
Wages and salaries payable	\$ 94,065	\$ 131,800	\$ 117,037
Payables for machinery and equipment	19,270	10,008	11,107
Others	94,025	79,768	65,709
	<u>\$ 207,360</u>	<u>\$ 221,576</u>	<u>\$ 193,853</u>

(17) Pensions

A. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

B. The second-tier subsidiary, SYSGRATION ELECTRONICS TECHNOLOGY (HUIZHOU) CO., LTD. and the third-tier subsidiary, SYSGRATION ELECTRONICS TECHNOLOGY (ZHENJIANG) CO., LTD. have defined contribution pension plans under local regulations.

- C. The pension costs under defined contribution pension plans of the Group for the three months and nine months ended September 30, 2025 and 2024 were \$7,259, \$8,224, \$21,601 and \$20,880, respectively.

(18) Share-based payment

- A. On November 12, 2019 and December 27, 2016, the Board of Directors of the Company resolved to issue employees' options of 5,000 units (every unit can purchase 1,000 shares of the Company's common share, the total number of common shares which can be purchased was 5,000,000 shares with the exercise price of \$33.80 (in dollars)) and 4,500 units (every unit can purchase 1,000 shares of the Company's common share, the total number of common shares which can be purchased was 4,500,000 shares with the exercise price of \$10.00 (in dollars)), except for the 4,731 units were issued out of 5,000 units on August 20, 2020, others were issued 5,000 units on October 15, 2018. The exercise price under the aforementioned stock-based employee compensation plan is at least the closing price of the Company's common stock at the grant date. There will be adjustment to the exercise price in accordance with specific formula if there is any change in the Company's ordinary shares or distribution of cash dividend after the issuance of stock options. The life of the option is 5 years. After 2 years from the date of grant, employees may exercise the options in accordance with certain schedules as prescribed in the option plan.
- B. To attract and retain talents, encourage employees and strengthen coherence of the Company, the Board of Directors at their meeting on October 18, 2022, resolved to issue employees' stock options of 10,000 units. The issuance had been approved by the competent authority and could be issued over several installments within two years. The first issuance of 7,000 units was on July 7, 2023 (every unit can purchase 1,000 shares of the Company's common share, the total number of common shares which can be purchased was 7,000,000 shares with exercise price of \$38.55 (in dollars)) and the second issuance of 3,000 units was on September 6, 2024 (every unit can purchase 1,000 shares of the Company's common share, the total number of common shares which can be purchased was 3,000,000 shares with exercise price of \$35.8 (in dollars)).
- C. As of September 30, 2025, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2020.08.20	4,731	5 years	2 ~ 4 years' service
Employee stock options	2023.07.07	7,000	5 years	2 ~ 4 years' service
Employee stock options	2024.09.06	3,000	5 years	2 ~ 4 years' service

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

(a). Employees' options which were issued in 2024

	2025		2024	
	No. of options (in thousands)	Weighted- average exercise price (in dollars)	No. of options (in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at January 1	2,970	\$ 35.80	-	\$ -
Options granted	-	-	3,000	35.80
Options exercised	-	-	-	-
Options forfeited (Note)	(250)	-	-	-
Options outstanding at September 30	<u>2,720</u>	\$ 35.10	<u>3,000</u>	\$ 35.80
Options exercisable at September 30	<u>-</u>		<u>-</u>	

Note: Due to employees' retirement or termination.

(b). Employees' options which were issued in 2023

	2025		2024	
	No. of options (in thousands)	Weighted- average exercise price (in dollars)	No. of options (in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at January 1	5,868	\$ 37.80	6,246	\$ 38.55
Options granted	-	-	-	-
Options exercised	(891)	37.10	-	-
Options forfeited (Note)	(413)	-	(335)	-
Options outstanding at September 30	<u>4,564</u>	\$ 37.10	<u>5,911</u>	\$ 37.80
Options exercisable at September 30	<u>1,944</u>		<u>-</u>	

Note: Due to employees' retirement or termination.

(c). Employees' options which were issued in 2020

	2025		2024	
	No. of options (in thousands)	Weighted- average exercise price (in dollars)	No. of options (in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at January 1	915	\$ 33.10	1,927	\$ 33.80
Options granted	-	-	-	-
Options exercised	(802)	32.95	(615)	33.11
Options forfeited (Note)	(113)	-	(75)	-
Options outstanding at September 30	-	\$ -	1,237	\$ 33.10
Options exercisable at September 30	-		708	

Note: Due to employees' retirement or termination.

E. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		September 30, 2025		December 31, 2024	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)	No. of shares (in thousands)	Exercise price (in dollars)
2020.08.20	2025.08.19	-	\$ -	915	\$ 33.10
2023.07.07	2028.07.06	4,564	37.10	5,868	37.80
2024.09.06	2029.09.05	2,720	35.10	2,970	35.80

		September 30, 2024	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)
2020.08.20	2025.08.19	1,237	\$ 33.10
2023.07.07	2028.07.06	5,911	37.80
2024.09.06	2029.09.05	3,000	35.80

F. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Employee stock options	2020.08.20	\$33.80	49.75% ~53.32%	3.5~4.5 years	0%	0.28% ~0.31%	13.02 ~13.74
Employee stock options	2023.07.07	\$38.55	46.02%	3.5~4.5 years	0%	1.07% ~1.10%	13.33 ~15.04
Employee stock options	2024.09.06	\$35.80	42.21% ~43.05%	3.5~4.5 years	0%	1.41% ~1.44%	11.61 ~13.36

G. Expenses incurred on share-based payment transactions are shown below:

	Three months ended September 30, 2025	Three months ended September 30, 2024
Equity-settled	\$ 6,974	\$ 7,238
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Equity-settled	\$ 20,924	\$ 20,678

(19) Provisions

	2025	2024
	Warranty	Warranty
At January 1	\$ 81,650	\$ 39,323
Additional provisions	40,863	35,178
Provisions for liabilities acquired through merger	-	25,871
Used during the period	(64,623)	(14,683)
At September 30	\$ 57,890	\$ 85,689

	September 30, 2025	December 31, 2024	September 30, 2024
Current	\$ 49,302	\$ 67,906	\$ 69,920
Non-current	\$ 8,588	\$ 13,744	\$ 15,769

The Group gives warranties on automobile electronics products and lighting equipment sold. Provision for warranty are estimated based on historical warranty data of the product.

(20) Share capital

A. As of September 30, 2025, the Company's authorized capital was \$3,000,000, consisting of 300,000 thousand shares of ordinary stock (including 20,000 thousand shares reserved for employee stock options), and the paid-in capital was \$1,918,719 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2025 (Note)	2024 (Note)
At January 1	190,936	184,585
Conversion of convertible bonds	297	5,507
Employee stock options exercised	639	237
Treasury stock acquired	(2,115)	-
At September 30	189,757	190,329

Note: Expressed in thousands of shares.

- B. The Company's Board of Directors resolved on January 17, 2024 to convert employee stock warrants into 86.4 thousand shares of common stock, 79 thousand shares with a subscription price of NT\$10 per share and 7.4 thousand shares with a subscription price of NT\$33.8 per share. The base date for the capital increase is set on January 17, 2024. The registration of the change has been completed.
- C. The Company's Board of Directors resolved on May 10, 2024 to convert employee stock warrants into 150.5 thousand shares of common stock, with a subscription price of NT\$33.8 per share. The base date for the capital increase is set on May 10, 2024. The registration of the change has been completed.
- D. The Company's Board of Directors resolved on November 12, 2024 to convert employee stock warrants into 604.7 thousand shares of common stock, with a subscription price of NT\$33.1 per share. The base date for the capital increase is set on November 12, 2024. The registration of the change has been completed.
- E. The Company's Board of Directors resolved on January 7, 2025 to convert employee stock warrants into 319.5 thousand shares of common stock, with a subscription price of NT\$33.1 per share. The base date for the capital increase is set on January 7, 2025. The registration of the change has been completed.
- F. The Company's Board of Directors resolved on May 7, 2025 to convert employee stock warrants into 307 thousand shares of common stock, with a subscription price of NT\$33.1 per share. The base date for the capital increase is set on May 7, 2025. The registration of the change has been completed.
- G. The Company's Board of Directors resolved on August 13, 2025 to convert employee stock warrants into 12 thousand shares of common stock, with a subscription price of NT\$33.1 per share. The base date for the capital increase is set on August 13, 2025. The registration of the change has been completed.
- H. The Company's Board of Directors resolved on November 12, 2025 to convert employee stock warrants into 1,355.6 thousand shares of common stock, with a subscription price of NT\$32.5~37.1 per share. The base date for the capital increase is set on November 12, 2025.
- I. Treasury shares
- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

Name of company holding the shares	Reason for reacquisition	September 30, 2025	
		Number of shares	Carrying amount
The Company	To be reissued to employees	2,115 thousand shares	\$73,952

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(21) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to offset accumulated deficit unless the legal reserve is insufficient.

B. The movements of the Company's capital surplus are as follows:

	2025				
	Share premium	Employee stock options	Share options	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Total
At January 1	\$ 836,386	\$ 87,359	\$ 29,772	\$ -	\$ 953,517
Share-based compensation cost	-	20,924	-	-	20,924
Exercise of conversion right of convertible bonds	333,723	-	(25,915)	-	307,808
Employee stock options exercised	43,426	(1,052)	-	-	42,374
Change on subsidiaries recognized by shareholding percentage	-	-	-	260,212	260,212
Capital surplus used to issue cash to shareholders (Note)	(38,340)	-	-	-	(38,340)
At September 30	<u>\$ 1,175,195</u>	<u>\$ 107,231</u>	<u>\$ 3,857</u>	<u>\$ 260,212</u>	<u>\$ 1,546,495</u>

Note: The Company's Board of Directors resolved on February 26, 2025 to capital surplus used to issue cash to shareholders of 0.2 per share.

	2024			
	Share premium	Employee stock options	Share options	Total
At January 1	\$ 812,286	\$ 56,472	\$ 30,290	\$ 899,048
Employee stock options exercised	11,544	2,674	-	14,218
Exercise of conversion right of convertible bonds	75	-	(6)	69
Share-based compensation cost	-	20,678	-	20,678
At September 30	<u>\$ 823,905</u>	<u>\$ 79,824</u>	<u>\$ 30,284</u>	<u>\$ 934,013</u>

(22) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses, then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance, and appropriate or reverse for special reserve as required by the operating needs of the Company or regulations when necessary. The remainder, if any, to be retained or to be appropriated shall be proposed by the Board of Directors and to be resolved by the stockholders at the stockholders' meeting.
- B. For the long-term business development of the Company, the needs of capital in the future and long-term business plan, the distributable earnings can be distributed no higher than 90% as shareholders' bonus every year. However, the distributable earnings may not to be distributed if the accumulated distributable earnings lower than 5% of paid-in capital. The cash dividend cannot be lower than 10% of total dividends. However, when the cash dividend per share is lower than \$0.5, it can be distributed in stock dividend at full amount.
- C. The appropriations of 2024 and 2023 earnings had been resolved at the shareholders' meeting on May 7, 2025 and May 6 2024, respectively. Details are summarised as follows:

	2025		2024	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 10,911		\$ 25,622	
Special reserve	(7,881)		74,769	
Cash dividends	<u>95,850</u>	\$ 0.5	<u>133,228</u>	\$ 0.7
	<u>\$ 98,880</u>		<u>\$ 233,619</u>	

- D. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion

in excess of 25% of the Company's paid-in capital.

- E. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(23) Other equity items

	2025		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	(\$ 31,695)	(\$ 36,757)	(\$ 68,452)
Revaluation adjustment	132,444	-	132,444
Disposal of financial assets at fair value through other comprehensive income	5,941	-	5,941
Currency translation differences	-	(72,607)	(72,607)
At September 30	<u>\$ 106,690</u>	<u>(\$ 109,364)</u>	<u>(\$ 2,674)</u>
	2024		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	(\$ 54,992)	(\$ 73,333)	(\$ 128,325)
Revaluation adjustment	18,744	-	18,744
Disposal of financial assets at fair value through other comprehensive income	(25,238)	-	(25,238)
Currency translation differences	-	10,140	10,140
At September 30	<u>(\$ 61,486)</u>	<u>(\$ 63,193)</u>	<u>(\$ 124,679)</u>

(24) Operating revenue

	Three months ended September 30, 2025	Three months ended September 30, 2024
Revenue from contracts with customers	<u>\$ 815,075</u>	<u>\$ 694,319</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Revenue from contracts with customers	<u>\$ 2,521,163</u>	<u>\$ 2,345,871</u>

- A. Disaggregation of revenue from contracts with customers.

The Group derives revenue from the transfer of goods at a point in time in the following major product lines:

Three months ended September 30, 2025	Automobile Electronics Products	Power management products	All other segments	Total
Total segment revenue	\$ 975,497	\$ 260,063	\$ 44,555	\$ 1,280,115
Inter-segment revenue	(345,765)	(118,729)	(546)	(465,040)
Revenue from external customer contracts	<u>\$ 629,732</u>	<u>\$ 141,334</u>	<u>\$ 44,009</u>	<u>\$ 815,075</u>
Timing of revenue recognition				
At a point in time	\$ 629,732	\$ 141,334	\$ 8,764	\$ 779,830
Over time	<u>-</u>	<u>-</u>	<u>35,245</u>	<u>35,245</u>
Revenue from external customer contracts	<u>\$ 629,732</u>	<u>\$ 141,334</u>	<u>\$ 44,009</u>	<u>\$ 815,075</u>
Three months ended September 30, 2024	Automobile Electronics Products	Power management products	All other segments	Total
Total segment revenue	\$ 871,024	\$ 31,979	\$ 31,483	\$ 934,486
Inter-segment revenue	(218,509)	(21,364)	(294)	(240,167)
Revenue from external customer contracts	<u>\$ 652,515</u>	<u>\$ 10,615</u>	<u>\$ 31,189</u>	<u>\$ 694,319</u>
Timing of revenue recognition				
At a point in time	\$ 652,515	\$ 10,615	\$ 18,846	\$ 681,976
Over time	<u>-</u>	<u>-</u>	<u>12,343</u>	<u>12,343</u>
Revenue from external customer contracts	<u>\$ 652,515</u>	<u>\$ 10,615</u>	<u>\$ 31,189</u>	<u>\$ 694,319</u>
Nine months ended September 30, 2025	Automobile Electronics Products	Power management products	All other segments	Total
Total segment revenue	\$ 2,845,745	\$ 755,196	\$ 132,039	\$ 3,732,980
Inter-segment revenue	(873,497)	(336,824)	(1,496)	(1,211,817)
Revenue from external customer contracts	<u>\$ 1,972,248</u>	<u>\$ 418,372</u>	<u>\$ 130,543</u>	<u>\$ 2,521,163</u>
Timing of revenue recognition				
At a point in time	\$ 1,972,248	\$ 418,372	\$ 21,067	\$ 2,411,687
Over time	<u>-</u>	<u>-</u>	<u>109,476</u>	<u>109,476</u>
Revenue from external customer contracts	<u>\$ 1,972,248</u>	<u>\$ 418,372</u>	<u>\$ 130,543</u>	<u>\$ 2,521,163</u>

Nine months ended September 30, 2024	Electronics Products	Power management products	All other segments	Total
Total segment revenue	\$ 3,054,514	\$ 214,109	\$ 32,267	\$ 3,300,890
Inter-segment revenue	(861,040)	(92,901)	(1,078)	(955,019)
Revenue from external customer contracts	<u>\$ 2,193,474</u>	<u>\$ 121,208</u>	<u>\$ 31,189</u>	<u>\$ 2,345,871</u>
Timing of revenue recognition				
At a point in time	\$ 2,193,474	\$ 121,208	\$ 18,846	\$ 2,333,528
Over time	-	-	12,343	12,343
Revenue from external customer contracts	<u>\$ 2,193,474</u>	<u>\$ 121,208</u>	<u>\$ 31,189</u>	<u>\$ 2,345,871</u>

B. Contract assets and liabilities

The Group has recognized the following revenue-related contract assets and liabilities as of September 30, 2025, December 31, 2024, September 30, 2024 and January 1, 2024:

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Contract assets– construction contract	\$ 48,037	\$ 78,498	\$ 78,836	\$ -
Less: Allowance for uncollectible accounts	(8,301)	(13,354)	-	-
	<u>\$ 39,736</u>	<u>\$ 65,144</u>	<u>\$ 78,836</u>	<u>\$ -</u>
	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Contract assets– Current	\$ 25,705	\$ 37,082	\$ 78,836	\$ -
Non-current	14,031	28,062	-	-
	<u>\$ 39,736</u>	<u>\$ 65,144</u>	<u>\$ 78,836</u>	<u>\$ -</u>
	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Contract liabilities – Advance sales receipts	\$ 30,582	\$ 69,748	\$ 45,619	\$ 6,209
Contract liabilities – construction contract	5,606	4,840	373	-
	<u>\$ 36,188</u>	<u>\$ 74,588</u>	<u>\$ 45,992</u>	<u>\$ 6,209</u>

(a) Significant changes in contract assets and liabilities: the Group included LEADRAY ENERGY in the consolidated financial statements starting from June 28, 2024, the balances of contract assets and liabilities have significantly increased. For more information on the business combination, please refer to Note 6(32).

(b) Revenue recognized that was included in the contract liability balance at the beginning of the period

	Three months ended September 30, 2025	Three months ended September 30, 2024
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Advance sales receipts	\$ 27,147	\$ 879
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Advance sales receipts	\$ 52,733	\$ 3,617

(c) Information relating to credit risk of contract assets is provided in Note 12(2).

(25) Interest income

	Three months ended September 30, 2025	Three months ended September 30, 2024
Interest income from bank deposits	\$ 52	\$ 4,542
Interest income from financial assets measured at amortised cost	307	43
Other interest income	29	12
	<u>\$ 388</u>	<u>\$ 4,597</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Interest income from bank deposits	\$ 8,415	\$ 25,332
Interest income from financial assets measured at amortised cost	1,611	125
Other interest income	256	16
	<u>\$ 10,282</u>	<u>\$ 25,473</u>

(26) Other income

	Three months ended September 30, 2025	Three months ended September 30, 2024
Dividend income	\$ 5,144	\$ 2,253
Gains on write-off of past due payable	-	-
Rent income	675	564
Government grant revenues	354	402
Other income, others	270	234
	<u>\$ 6,443</u>	<u>\$ 3,453</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Dividend income	\$ 5,362	\$ 2,377
Gains on write-off of past due payable	3,034	-
Rent income	1,860	1,338
Government grant revenues	365	683
Other income, others	1,408	2,859
	<u>\$ 12,029</u>	<u>\$ 7,257</u>

(27) Other gains and losses

	Three months ended September 30, 2025	Three months ended September 30, 2024
Foreign exchange gains (losses)	\$ 1,000	(\$ 12,175)
Gains (losses) on financial assets (liabilities) at fair value through profit or loss	3,864	(1,146)
Gains on disposals of property, plant and equipment	362	3
Other losses	(78)	(89)
	<u>\$ 5,148</u>	<u>(\$ 13,407)</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Foreign exchange (losses) gains	(\$ 9,861)	\$ 23,260
Compensation losses (note)	(6,509)	-
Gains (losses) on financial assets (liabilities) at fair value through profit or loss	1,209	(2,361)
Gains (losses) on disposals of property, plant and equipment	2,081	(1,329)
Gains arising from lease modifications	12	-
Other losses	(181)	(1,041)
	<u>(\$ 13,249)</u>	<u>\$ 18,529</u>

Note: This pertains to the compensation loss arising from the litigation case between the company and TSUZUKI DENKI CO., LTD. Both parties have agreed that the company will pay USD 198 thousand, and all other claims will be abandoned. For more detailed of the resolution are provided in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(28) Finance costs

	Three months ended September 30, 2025	Three months ended September 30, 2024
Interest expense on convertible bonds	\$ 1,541	\$ 2,794
Interest expense	1,669	2,224
Interest expense on lease liabilities	438	180
Others	666	-
	<u>\$ 4,314</u>	<u>\$ 5,198</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Interest expense on convertible bonds	\$ 7,357	\$ 8,647
Interest expense	5,214	4,533
Interest expense on lease liabilities	1,373	642
Others	666	-
	<u>\$ 14,610</u>	<u>\$ 13,822</u>

(29) Expenses by nature

	Three months ended September 30, 2025	Three months ended September 30, 2024
Employee benefit expense	\$ 170,645	\$ 170,720
Depreciation charges on property, plant and equipment	33,340	33,423
Depreciation charges on right-of-use assets	10,951	8,946
Amortisation charges on intangible assets	9,207	7,271
Depreciation charges on investment property	35	34
	<u>\$ 224,178</u>	<u>\$ 220,394</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Employee benefit expense	\$ 514,269	\$ 448,072
Depreciation charges on property, plant and equipment	103,494	97,168
Depreciation charges on right-of-use assets	31,932	26,912
Amortisation charges on intangible assets	25,355	21,265
Depreciation charges on investment property	103	103
	<u>\$ 675,153</u>	<u>\$ 593,520</u>

(30) Employee benefit expense

	Three months ended September 30, 2025	Three months ended September 30, 2024
Wages and salaries	\$ 134,876	\$ 137,489
Labour and health insurance fees	14,698	13,453
Employee stock options	6,974	7,238
Pension costs	7,259	8,224
Other personnel expenses	6,838	4,316
	<u>\$ 170,645</u>	<u>\$ 170,720</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Wages and salaries	\$ 401,962	\$ 357,320
Labour and health insurance fees	45,465	31,947
Employee stock options	20,924	20,678
Pension costs	21,601	20,880
Other personnel expenses	24,317	17,247
	<u>\$ 514,269</u>	<u>\$ 448,072</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors remuneration. The ratio shall be between 10%~15% for employees' compensation, with at least 2% allocated to grassroots employees and shall not be higher than 3% for directors' and supervisors' remuneration.
- B. For the three months and nine months ended September 30, 2025 and 2024, employees' compensation was accrued at (\$2,200), (\$4,000), \$1,200 and \$11,000, respectively; while directors' remuneration was accrued at (\$300), (\$1,250), \$200 and \$2,800, respectively.
- C. The employees' compensation and directors' remuneration were estimated and accrued based on 10.79% and 1.8% of distributable profit of current year for the nine months ended September 30, 2025.
- D. Employees' compensation and directors' remuneration of 2024 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2024 financial statements. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

- (a) Components of income tax expense:

	Three months ended September 30, 2025	Three months ended September 30, 2024
Current tax:		
Current tax on profits for the period	\$ 4,166	\$ 346
Prior year income tax over estimation	(9)	(19)
Total current tax	<u>4,157</u>	<u>327</u>
Deferred tax:		
Origination and reversal of temporary differences	(73)	(40)
Total deferred tax	<u>(73)</u>	<u>(40)</u>
Income tax expense	<u>\$ 4,084</u>	<u>\$ 287</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Current tax:		
Current tax on profits for the period	\$ 9,943	\$ 3,060
Prior year income tax under (over) estimation	2,719	(19)
Total current tax	<u>\$ 12,662</u>	<u>\$ 3,041</u>
Deferred tax:		
Origination and reversal of temporary differences	-	(125)
Total deferred tax	<u>-</u>	<u>(125)</u>
Income tax expense	<u>\$ 12,662</u>	<u>\$ 2,916</u>

(b) The income tax charge relating to components of other comprehensive income is as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024
Changes in fair value of financial assets at fair value through other comprehensive income	(\$ 36,558)	\$ 6,468
Currency translation differences	(11,125)	4,539
	<u>(\$ 47,683)</u>	<u>\$ 11,007</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Changes in fair value of financial assets at fair value through other comprehensive income	(\$ 34,595)	\$ 1,254
Currency translation differences	18,152	(2,535)
	<u>(\$ 16,443)</u>	<u>(\$ 1,281)</u>

B. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(32) Earnings (losses) per share

Three months ended September 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Losses attributable to ordinary shareholders of the parent	(\$ 19,897)	192,735	(\$ 0.10)
<u>Diluted losses per share</u>			
Losses attributable to ordinary shareholders of the parent	(19,897)	192,735	
Losses attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	(\$ 19,897)	192,735	(\$ 0.10)
Three months ended September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Losses attributable to ordinary shareholders of the parent	(\$ 38,299)	190,700	(\$ 0.20)
<u>Diluted losses per share</u>			
Losses attributable to ordinary shareholders of the parent	(38,299)	190,700	
Losses attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	(\$ 38,299)	190,700	(\$ 0.20)

Nine months ended September 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Earnings attributable to ordinary shareholders of the parent	\$ 7,180	191,835	\$ 0.04
<u>Diluted earnings per share</u>			
Earnings attributable to ordinary shareholders of the parent	\$ 7,180	191,835	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	-	-	(Note)
Employee stock options	-	623	
Employees' compensation	-	84	
Earnings attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 7,180	192,542	\$ 0.04

Note: Since it would have an anti-dilutive effect, it is not included in the calculation of diluted earnings per share.

Nine months ended September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Earnings attributable to ordinary shareholders of the parent	\$ 82,590	190,452	\$ 0.43
<u>Diluted earnings per share</u>			
Earnings attributable to ordinary shareholders of the parent	\$ 82,590	190,452	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	574	
Earnings attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 82,590	191,026	\$ 0.43

(33) Business combinations

- A. The Group holds 36.62% of the voting shares and is the sole largest shareholder of LEADRAY ENERGY CO., LTD. The Group obtained more than half of the total number of directors at LEADRAY ENERGY's shareholders' meeting on June 28, 2024 ; therefore, it was determined

that the Group had control over LEADRAY ENERGY and included LEADRAY ENERGY in the consolidated financial statements from June 28, 2024.

- B. The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>June 28, 2024</u>
Purchase consideration	
Fair value of equity interest in Leadray Energy held before the business combination.	\$ 127,307
Non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets	<u>220,559</u>
	<u>\$ 347,866</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	\$ 172,734
Contract assets	81,553
Accounts receivable	14,791
Other receivables	261
Current income tax assets	153
Inventories	17,357
Other current assets	3,547
Property, plant and equipment	191,694
Financial assets at amortised cost	32,658
Other non-current assets	15,242
Short-term borrowings	(10,000)
Accounts payable	(4,364)
Other payables	(31,305)
Long-term borrowings	(107,425)
Other current liabilities	(2,599)
Provisions	(25,871)
Other non-current liabilities	(431)
Total identifiable net assets	<u>347,995</u>
Gain recognised in bargain purchase transaction	<u>\$ 129</u>

Note: The allocation of the acquisition price was completed in the fourth quarter of 2024.

- C. Prior to the combination, the Group held a 36.62% interest in LEADRAY ENERGY. The gain or loss recognized due to remeasurement at fair value amounted to \$793 for the fourth quarter of the year 2024.
- D. The Group consolidated LEADRAY ENERGY starting from June 28, 2024. Assuming LEADRAY ENERGY had been consolidated since January 1, 2024, the contributed operating revenue and net loss after tax would have been \$89,790 and (\$17,321), respectively.

(34) Supplemental cash flow information

- A. Investing activities with partial cash payments

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Purchase of property, plant and equipment	\$ 493,669	\$ 529,691
Add: Opening balance of payable on equipment	10,008	30,213
Less: Ending balance of payable on equipment	(19,270)	(11,107)
Cash paid during the period	<u>\$ 484,407</u>	<u>\$ 548,797</u>

B. Financing activities with no cash flow effects

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Convertible bonds being converted to capital stocks	<u>\$ 420,556</u>	<u>\$ 95</u>

(35) Changes in liabilities from financing activities

	2025				
	Short-term borrowings	Long-term borrowings	Lease liabilities	Bonds payable	Liabilities from financing activities-gross
At January 1	\$ 8,956	\$ 305,345	\$ 70,704	\$ 472,671	\$ 857,676
Changes in cash flow from financing activities	330,941	(34,710)	(31,165)	-	265,066
Changes in other non-cash items	-	-	47,510	(413,200)	(365,690)
At September 30	<u>\$ 339,897</u>	<u>\$ 270,635</u>	<u>\$ 87,049</u>	<u>\$ 59,471</u>	<u>\$ 757,052</u>
	2024				
	Short-term borrowings	Long-term borrowings	Lease liabilities	Bonds payable	Liabilities from financing activities-gross
At January 1	\$ -	\$ 308,031	\$ 71,601	\$ 469,333	\$ 848,965
Changes in cash flow from financing activities	9,046	(80,380)	(26,592)	-	(97,926)
Changes in other non-cash items	10,000	107,425	587	8,552	126,564
At September 30	<u>\$ 19,046</u>	<u>\$ 335,076</u>	<u>\$ 45,596</u>	<u>\$ 477,885</u>	<u>\$ 877,603</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company has no parent company nor ultimate controlling party.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Company
Lee, I-Ren	The Company's Chairman
Huang, Ming-Chin	Other related party
Lin, Chen-Feng	Other related party
CELXPART ENERGY CORPORATION	Other related party(Note)

Note: The Company obtained representation on the board of CELXPART ENERGY CORPORATION on September 3, 2025.

(3) Significant related party transactions

A. Receivables from related parties

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable:			
Other related party	\$ 202	\$ -	\$ -

The receivables from related parties arise mainly from sale transactions. The receivables are due two months after the date of sales. The receivables are unsecured in nature and bear no interest.

(4) Key management compensation

	Three months ended September 30, 2025	Three months ended September 30, 2024
Short-term employee benefits	\$ 11,499	\$ 9,913
Share-based payments	(1,832)	653
Post-employment benefits	1,268	135
	<u>\$ 10,935</u>	<u>\$ 10,701</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Short-term employee benefits	\$ 48,938	\$ 45,503
Share-based payments	610	1,876
Post-employment benefits	1,671	486
	<u>\$ 51,219</u>	<u>\$ 47,865</u>

(5) Endorsements and guarantees provided by related parties

As of September 30, 2025, December 31, 2024 and September 30, 2024, the Company borrowed from financial institutions. Lee, I-Ren is the guarantor, and the aforementioned financing facilities which were provided by related parties were \$221,823, \$200,000 and \$250,000, respectively. Huang, Ming-Chin and Lin, Chen-Feng jointly serve as guarantors, providing guarantee limits of \$85,595, \$98,646 and \$113,044, respectively.

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	September 30, 2025	December 31, 2024	September 30, 2024	
Time deposit (classified as financial assets at amortised cost)	\$ 47,221	\$ 46,921	\$ 42,132	Short-term, long-term borrowings
Guarantee deposits paid	23,259	9,283	-	"
Land	22,806	22,806	22,806	"
Buildings and structures	201,606	207,827	208,214	"
Machinery	692,737	56,981	57,751	"
	<u>\$ 987,629</u>	<u>\$ 343,818</u>	<u>\$ 330,903</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	<u>\$ 520,507</u>	<u>\$ 19,161</u>	<u>\$ -</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Company's Board of Directors resolved on October 23, 2025 to proceed with the public registration of the first tranche of private placement common shares from 2022.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to maintain an optimal capital structure to reduce the cost of capital in order to provide returns for shareholders. In order to maintain or adjust the capital structure, the Group may issue new shares, issue convertible bonds or sell assets to reduce debt.

	September 30, 2025	December 31, 2024	September 30, 2024
Total liabilities	\$ 1,538,437	\$ 1,793,150	\$ 1,777,635
Total equity	4,108,447	3,285,447	3,192,038
Total capital	<u>\$ 5,646,884</u>	<u>\$ 5,078,597</u>	<u>\$ 4,969,673</u>
Gearing ratio	<u>27%</u>	<u>35%</u>	<u>36%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Financial assets</u>			
Financial assets mandatorily measured at fair value through profit or loss	\$ 117,121	\$ 38,667	\$ 47,345
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	926,224	226,120	221,047
Financial assets at amortised cost			
Cash and cash equivalents	1,001,103	1,797,789	1,615,192
Financial assets at amortised cost	100,560	99,958	99,703
Notes receivable	2,147	4,205	5,696
Accounts receivable (including related parties)	924,430	809,553	966,419
Other receivables	12,649	14,507	8,464
Refundable deposits	31,877	29,659	30,179
	<u>\$ 3,116,111</u>	<u>\$ 3,020,458</u>	<u>\$ 2,994,045</u>
<u>Financial liabilities</u>			
Short-term borrowings	\$ 339,897	\$ 8,956	\$ 19,046
Financial liabilities mandatorily measured at fair value through profit or loss	-	-	1,699
Notes payable	3,631	234	-
Accounts payable	433,213	536,397	550,911
Other payables	207,360	221,576	193,853
Bonds payable (including current portion)	59,471	472,671	477,885
Long-term borrowings (including current portion)	270,635	305,345	335,076
Guarantee deposits received	167	430	431
	<u>\$ 1,314,374</u>	<u>\$ 1,545,609</u>	<u>\$ 1,578,901</u>
Lease liabilities	<u>\$ 87,049</u>	<u>\$ 70,704</u>	<u>\$ 45,596</u>

B. Financial risk management policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such

as foreign exchange forward contracts is used to hedge certain exchange rate risk. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.
- iii. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD and other certain subsidiaries' functional currency: RMB and USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

September 30, 2025							
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis			
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
<u>Financial assets</u>							
<u>Monetary items</u>							
USD:NTD	\$ 22,880	30.45	\$ 696,696	1%	\$ 6,967	\$	-
USD:RMB	712	7.13	21,682	1%	217		-
EUR:NTD	109	35.77	3,899	1%	39		-
HKD:NTD	312	3.91	1,220	1%	12		-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD:RMB	\$ 5,678	7.13	\$ 172,908	1%	\$ 1,729	\$	-
USD:NTD	5,195	30.45	158,188	1%	1,582		-
HKD:NTD	878	3.91	3,433	1%	34		-
HKD:RMB	1,840	0.92	7,230	1%	72		-

December 31, 2024										
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis						
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income				
<u>Financial assets</u>										
<u>Monetary items</u>										
USD:NTD	\$	24,904	32.79	\$	816,602	1%	\$	8,166	\$	-
USD:RMB		915	7.32		29,993	1%		300		-
EUR:NTD		1,148	34.14		39,193	1%		392		-
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD:RMB	\$	3,932	7.32	\$	128,887	1%	\$	1,289	\$	-
USD:NTD		7,715	32.79		252,975	1%		2,530		-
HKD:NTD		1,848	4.22		7,799	1%		78		-
HKD:RMB		1,151	0.94		4,845	1%		48		-
September 30, 2024										
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis						
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income				
<u>Financial assets</u>										
<u>Monetary items</u>										
USD:NTD	\$	30,504	31.65	\$	965,440	1%	\$	9,654	\$	-
EUR:NTD		796	35.38		28,156	1%		282		-
GBP:NTD		75	42.43		3,172	1%		32		-
USD:RMB		93	7.00		2,931	1%		29		-
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD:RMB	\$	6,220	7.00	\$	196,872	1%	\$	1,969	\$	-
USD:NTD		5,901	31.65		186,763	1%		1,868		-
HKD:NTD		1,353	4.08		5,512	1%		55		-
HKD:RMB		1,260	0.90		5,134	1%		51		-

- vi. The total exchange gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group or the three months and nine months ended September 30, 2025 and 2024, amounted to \$1,000, (\$12,175), (\$9,861) and \$23,260, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity

securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

- ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax (loss) profit for the nine months ended September 30, 2025 and 2024 would have increased/decreased by \$878 and \$355, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$6,947 and \$1,658, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the nine months ended September 30, 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and RMB Dollars.
- ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the nine months ended September 30, 2025 and 2024 would have increased/decreased by \$4,579 and \$2,656, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through other comprehensive income.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions with no recent major defaults are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- iii. The Company assumes that if the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition; if past due over 360 days, a default has been occurred.

- iv. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the modified approach using a provision matrix based on the loss rate methodology to estimate expected credit loss.
- v. The following indicators are used to determine whether the credit impairment of debt instruments have occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group used the forecast ability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. On September 30, 2025, December 31, 2024 and September 30 2024, the provision matrix and loss rate methodology is as follows:

<u>At September 30, 2025</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0.3%	\$ 666,416	(\$ 8,528)
Up to 30 days	1%	129,829	(1,085)
31 to 120 days	1%~5%	139,183	(2,200)
121 to 180 days	10%	1,801	(180)
Over 181 days	40%~100%	8,730	(7,591)
		<u>\$ 945,959</u>	<u>(\$ 19,584)</u>
<u>At December 31, 2024</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0.3%	\$ 491,012	(\$ 1,424)
Up to 30 days	1%	77,998	(724)
31 to 120 days	1%~5%	235,248	(6,815)
121 to 180 days	10%	24,338	(8,885)
Over 181 days	40%~100%	6,155	(3,145)
		<u>\$ 834,751</u>	<u>(\$ 20,993)</u>
<u>At September 30, 2024</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0.3%	\$ 551,985	(\$ 1,641)
Up to 30 days	1%	92,441	(934)
31 to 120 days	1%~5%	242,554	(6,472)
121 to 180 days	10%	92,667	(9,390)
Over 181 days	40%~100%	20,938	(10,033)
		<u>\$ 1,000,585</u>	<u>(\$ 28,470)</u>

- vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable, notes receivable, other receivables and contract assets are as follows:

	2025				
	Accounts receivable	Notes receivable	Contract assets	Other receivables	Total
At January 1	\$ 20,979	\$ 14	\$ 13,354	\$ -	\$ 34,347
Provision for (reversal of) impairment loss	(6,519)	(14)	1,633	525	(4,375)
Write-offs	(1,497)	-	-	-	(1,497)
Reclassifications	6,686	-	(6,686)	-	-
Effect of foreign exchange	(65)	-	-	-	(65)
At September 30	<u>\$ 19,584</u>	<u>\$ -</u>	<u>\$ 8,301</u>	<u>\$ 525</u>	<u>\$ 28,410</u>

	2024		
	Accounts receivable	Notes receivable	Total
At January 1	\$ 11,065	\$ 45	\$ 11,110
Provision for (reversal of) impairment loss	16,301	(24)	16,277
Increase in business combination	2,885	-	2,885
Effect of foreign exchange	(1,802)	-	(1,802)
At September 30	<u>\$ 28,449</u>	<u>\$ 21</u>	<u>\$ 28,470</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, capital-guaranteed income-based wealth management products, forward foreign exchange contracts, and convertible bonds (classified as current financial assets at fair value through profit or loss), choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group held money market position of \$1,000,377, \$1,796,963 and \$1,614,372, respectively, listed stocks (classified as current financial assets at fair value through profit or loss) of \$23,906, \$9,167 and \$16,619, respectively, derivative instrument (classified as current financial assets at fair value through profit or loss) of \$122, \$197 and \$6, respectively, unlisted stocks (classified as non-current financial assets at fair value through profit or loss) of \$59,295, \$0 and \$0, respectively, and private equity fund (classified as non-current financial assets at fair value through profit or loss) of \$33,798, \$29,303 and \$30,720, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

- iii. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group has the undrawn borrowing of \$2,210,123, \$981,816 and \$1,140,469, respectively.
- iv. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

September 30, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 339,897	\$ -	\$ -	\$ -
Notes payable	3,631	-	-	-
Accounts payable	433,213	-	-	-
Other payables	207,360	-	-	-
Lease liabilities	34,948	12,673	30,664	8,764
Bonds payable	59,471	-	-	-
Long-term borrowings	104,173	102,886	40,665	22,911
December 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 8,956	\$ -	\$ -	\$ -
Notes payable	234	-	-	-
Accounts payable	536,397	-	-	-
Other payables	221,576	-	-	-
Lease liabilities	28,920	18,100	11,837	11,847
Bonds payable	472,671	-	-	-
Long-term borrowings	118,423	85,906	77,862	23,154
September 30, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 19,046	\$ -	\$ -	\$ -
Accounts payable	550,911	-	-	-
Other payables	193,853	-	-	-
Lease liabilities	26,044	18,210	1,342	-
Bonds payable	477,885	-	-	-
Long-term borrowings	119,083	94,481	97,303	24,209

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the

entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in convertible bonds and forward foreign exchange contracts is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market and financial assets mandatorily measured at fair value through profit or loss are included in Level 3.

- B. Fair value information of investment property at cost is provided in Note 6(10).
- C. The carrying amounts of the Group's financial instruments, including cash and cash equivalents, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, and other payables (including related parties) which not measured at fair value are approximate to their fair values.
- D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities as at September 30, 2025, December 31, 2024 and September 30, 2024, is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

<u>September 30, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss-current				
Derivative instruments	\$ -	\$ 122	\$ -	\$ 122
Equity instruments	23,906	-	-	23,906
Financial assets at fair value through profit or loss-non-current				
Equity instruments	-	-	59,295	59,295
Private equity fund	-	-	33,798	33,798
Financial assets at fair value through other comprehensive income-non-current				
Equity instruments	548,832	75,585	301,807	926,224
	<u>\$ 572,738</u>	<u>\$ 75,707</u>	<u>\$ 394,900</u>	<u>\$1,043,345</u>

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss-current				
Derivative instruments	\$ -	\$ 197	\$ -	\$ 197
Equity instruments	9,167	-	-	9,167
Financial assets at fair value through profit or loss-non-current				
Private equity fund	-	-	29,303	29,303
Financial assets at fair value through other comprehensive income-non-current				
Equity instruments	27,612	104,914	93,594	226,120
	<u>\$ 36,779</u>	<u>\$ 105,111</u>	<u>\$ 122,897</u>	<u>\$ 264,787</u>
<u>September 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss-current				
Derivative instruments	\$ -	\$ 6	\$ -	\$ 6
Equity instruments	16,619	-	-	16,619
Financial assets at fair value through profit or loss-non-current				
Private equity fund	-	-	30,720	30,720
Financial assets at fair value through other comprehensive income-non-current				
Equity instruments	30,132	126,212	64,703	221,047
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss-current				
Derivative instruments	-	1,699	-	1,699
	<u>\$ 46,751</u>	<u>\$ 127,917</u>	<u>\$ 95,423</u>	<u>\$ 270,091</u>

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

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

- ii. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used

within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.

- iii. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

E. For the nine months ended September 30, 2025 and 2024, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the nine months ended September 30, 2025 and 2024:

	2025	
	Equity instrument	Debt instrument
At January 1	\$ 93,594	\$ 29,303
Losses recognized in profit or loss	-	4,495
Losses recognized in other comprehensive income	(21,942)	-
Acquired in the period	289,450	-
At September 30	<u>\$ 361,102</u>	<u>\$ 33,798</u>
	2024	
	Equity instrument	Debt instrument
At January 1	\$ 65,023	\$ 25,103
Gains recognized in profit or loss	-	(3,383)
Losses recognized in other comprehensive income	(2,530)	-
Acquired in the period	2,210	9,000
At September 30	<u>\$ 64,703</u>	<u>\$ 30,720</u>

G. The valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of external financial instruments entrusted by finance segment.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at September 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 361,102	Market comparable companies	No open market saleability discount	25%	The higher the discount for lack of marketability, the lower the fair value
Private equity fund	33,798	Net asset value method	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 93,594	Market comparable companies	No open market saleability discount	25%	The higher the discount for lack of marketability, the lower the fair value
Private equity fund	29,303	Net asset value method	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
	Fair value at September 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 64,703	Market comparable companies	No open market saleability discount	25%	The higher the discount for lack of marketability, the lower the fair value
Private equity fund	30,720	Net asset value method	Net asset value	Not applicable	The higher the net asset value, the higher the fair value

- I. External financial instruments entrusted by finance segment assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			September 30, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income	
Financial assets	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Equity instrument	No open market saleability discount	±1%	\$ -	\$ -	\$ 3,611	(\$ 3,611)
Debt instrument	Net asset value method	±1%	\$ 338	(\$ 338)	\$ -	\$ -
			December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
Financial assets	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Equity instrument	No open market saleability discount	±1%	\$ -	\$ -	\$ 936	(\$ 936)
Debt instrument	Net asset value method	±1%	\$ 293	(\$ 293)	\$ -	\$ -
			September 30, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
Financial assets	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Equity instrument	No open market saleability discount	±1%	\$ -	\$ -	\$ 647	(\$ 647)
Debt instrument	Net asset value method	±1%	\$ 307	(\$ 307)	\$ -	\$ -

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information

The Group is engaged in the manufacturing and sale of automobile electronic products and power management products from a product type perspective. On the manufacturing and sale of products, the Group divided them into two main segments which include automobile electronics business and power management business.

As the nature, production and sales mode of the 2 segments differ from each other, also the Group's management performs the financial management and assesses operating performances separately, these 2 main segments are summarized as the reportable segments in the operating segment information.

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

<u>Three months ended September 30, 2025</u>	Automobile electronic products	Power management products	Other products	Eliminated by consolidation	Total
Revenue from external customers	\$ 629,732	\$ 141,334	\$ 44,009	\$ -	\$ 815,075
Inter-segment revenue	345,765	118,729	546	(465,040)	-
Total segment revenue	<u>\$ 975,497</u>	<u>\$ 260,063</u>	<u>\$ 44,555</u>	<u>(\$ 465,040)</u>	<u>815,075</u>
Segment income (loss)	<u>\$ 72,719</u>	<u>(\$ 16,805)</u>	<u>(\$ 1,833)</u>	<u>(\$ 1,938)</u>	\$ 52,143
Company general income					7,582
Company general expense					(84,917)
Interest expense					(4,314)
Loss from continuing operations before tax					<u>(\$ 29,506)</u>
<u>Nine months ended September 30, 2025</u>	Automobile electronic products	Power management products	Other products	Eliminated by consolidation	Total
Revenue from external customers	\$ 1,972,248	\$ 418,372	\$ 130,543	\$ -	\$ 2,521,163
Inter-segment revenue	873,497	336,824	1,496	(1,211,817)	-
Total segment revenue	<u>\$ 2,845,745</u>	<u>\$ 755,196</u>	<u>\$ 132,039</u>	<u>(\$ 1,211,817)</u>	<u>2,521,163</u>
Segment income (loss)	<u>\$ 283,435</u>	<u>(\$ 47,820)</u>	<u>(\$ 8,741)</u>	<u>\$ 866</u>	\$ 227,740
Company general income					20,127
Company general expense					(240,225)
Interest expense					(14,610)
Loss from continuing operations before tax					<u>(\$ 6,968)</u>

<u>Three months ended September 30, 2024</u>	Automobile electronic products	Power management products	Other products	Eliminated by consolidation	Total
Revenue from external customers	\$ 652,515	\$ 10,615	\$ 31,189	\$ -	\$ 694,319
Inter-segment revenue	218,509	21,364	294	(240,167)	-
Total segment revenue	<u>\$ 871,024</u>	<u>\$ 31,979</u>	<u>\$ 31,483</u>	<u>(\$ 240,167)</u>	<u>\$ 694,319</u>
Segment income (loss)	<u>\$ 76,106</u>	<u>(\$ 27,604)</u>	<u>(\$ 939)</u>	<u>(\$ 1,065)</u>	\$ 46,498
Company general income					(4,131)
Company general expense					(77,210)
Interest expense					(5,198)
Loss from continuing operations before tax					<u>(\$ 40,041)</u>
<u>Nine months ended September 30, 2024</u>	Automobile electronic products	Power management products	Other products	Eliminated by consolidation	Total
Revenue from external customers	\$ 2,193,474	\$ 121,208	\$ 31,189	\$ -	\$ 2,345,871
Inter-segment revenue	861,040	92,901	1,078	(955,019)	-
Total segment revenue	<u>\$ 3,054,514</u>	<u>\$ 214,109</u>	<u>\$ 32,267</u>	<u>(\$ 955,019)</u>	<u>\$ 2,345,871</u>
Segment income (loss)	<u>\$ 302,552</u>	<u>(\$ 62,329)</u>	<u>(\$ 155)</u>	<u>(\$ 79)</u>	\$ 239,989
Company general income					55,984
Company general expense					(198,674)
Interest expense					(13,822)
Profit from continuing operations before tax					<u>\$ 83,477</u>

(3) Reconciliation for segment income (loss)

- A. Sales between segments is carried out at arm's length. The revenue from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income.
- B. Details of the adjusted consolidated total profit (loss) and reconciliation for profit before tax of reportable segment for the current period are provided in Note 14(3).

SYSGRATION LTD. AND SUBSIDIARIES

Loans to others

Nine months ended September 30, 2025

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended September 30, 2025	Balance at September 30, 2025	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for uncollectible accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)	Footnote
0	SYSGRATION LTD.	SYSGRATION ELECTRONICS TECHNOLOGY (HUIZHOU) CO., LTD.	Other receivables	Y	\$ 66,142	\$ 61,774	\$ 61,774	-	Having business relationship	\$ 1,031,590	-	\$ -	None	\$ -	\$ 1,478,699	\$ 1,478,699	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: In accordance with the Company's amended "Procedures for Provision of Loans" as approved by the shareholders on April 30, 2020, the ceiling on total loans granted and to individuals of the Company's were as follows:

(1) The ceiling on total loans granted to others is 40% of the Company's net assets.

(2) Loans granted to a single party for business transactions: Limit on loans granted to a single party for business transactions is the total value of business transactions in 1 year or 12 months. The value of business transactions refers to the higher of purchase or sales.
The ceiling on single loan granted by the Company to all parties is 40% of the net assets value of Company.

SYSGRATION LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Nine months ended September 30, 2025

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Company name	Party being endorsed/guaranteed	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2025 (Note 4)	Outstanding endorsement/ guarantee amount at September 30, 2025 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
			Relationship with the endorser/ guarantor (Note 2)		amount to net value of the endorser/ guarantor company	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)			Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)		Provision of endorsements/ guarantees to the party in Mainland China (Note 7)			
0	SYSGRATION LTD.	SYSGRATION LTD.	1	\$ 1,109,024	\$ 3,000	\$ 3,000	\$ 236	\$ -	0.08%	\$ 1,663,536	N	N	N	
0	SYSGRATION LTD.	POWER TANK ENERGY LTD.	2	1,109,024	514,800	514,800	34,340	-	13.93%	1,663,536	Y	N	N	
0	SYSGRATION LTD.	SYSGRATION ELECTRONICS TECHNOLOGY (ZHENJIANG) CO., LTD.	2	1,109,024	262,123	260,862	21,355	-	7.06%	1,663,536	Y	N	Y	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

(1)Having business relationship.

(2)The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/ guaranteed subsidiary.

(3)The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4)The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5)Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract

(6)Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) The performance guarantees for the sale of pre-sales contracts under the Consumer Protection Law are jointly guaranteed.

Note 3: In accordance with the Company's amended "Procedures for Provision of Loans" as approved by the shareholders on June 14, 2019, the limit on endorsements/guarantees provided for subsidiaries whose 50% of the shares are directly and indirectly held is 30% of the Company's net assets and the ceiling on total amount of endorsements/guarantees provided is 45% of the Company's net assets based on the Company's latest financial statements.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

SYSGRATION LTD. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

September 30, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of September 30, 2025				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership	Fair value	
SYSGRATION LTD.	Dyaco International Inc.	None	Financial assets at fair value through profit or loss - current	90,000	\$ 2,016	0.05%	\$ 2,016	
"	Solteam Incorporation	"	"	440,000	21,890	0.56%	21,890	
"	FUYOU PRIVATE EQUITY	"	Financial assets at fair value through profit or loss - non-current	-	33,798	3.00%	33,798	
"	GROQ	"	"	-	29,325	0.00%	29,325	
"	ANTHROPIC	"	"	-	29,970	0.00%	29,970	
"	NEXTRONICS ENGINEERING CORP.	"	Financial assets at fair value through other comprehensive income - non-current	240,100	28,812	0.59%	28,812	
"	CELXPRT ENERGY CORPORATION	"	"	9,720,000	520,020	10.35%	520,020	
"	ION ELECTRONIC MATERIALS CO., LTD.	"	"	982,894	75,585	2.86%	75,585	
"	SINTRONIC TECHNOLOGY INC.	"	"	16,019	-	0.03%	-	
"	COREMATE TECHNICAL CO.,	"	"	265,200	-	0.00%	-	
"	ORO TECHNOLOGY CO., LTD.	"	"	256,000	-	9.48%	-	
"	GOMORE INC.	"	"	7,886,441	-	2.45%	-	
"	IMEIER GREEN TECHNOLOGY CO., LTD.	"	"	3,000,000	13,650	12.06%	13,650	
"	ADAT Technology CO., LTD.	"	"	979,536	8,434	4.01%	8,434	
"	BIOMEDICA CORPORATION	"	"	156,225	11,780	2.83%	11,780	
"	REALWEAR	"	"	574,083	65,144	2.22%	65,144	
"	VANTAGE ROBOTICS	"	"	-	9,354	0.00%	9,354	
"	Lambda	"	"	-	33,115	0.00%	33,115	
"	Space X	"	"	-	33,130	0.00%	33,130	
"	Skild AI	"	"	-	31,500	0.00%	31,500	
"	TAIWAN TRUEWIN TECHNOLOGY CO., LTD	"	"	1,500,000	95,700	2.32%	95,700	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

SYSGRATION LTD. AND SUBSIDIARIES

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

Nine months ended September 30, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases		Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
						Credit term					
SYSGRATION LTD.	SYSGRATION ELECTRONICS TECHNOLOGY (HUIZHOU) CO., LTD.	Affiliate	Purchases	\$ 798,373	56%	120 days	Note	Note	(\$ 438,323)	(73%)	

Note: Based on the mutual agreement since no similar transaction can be compared with.

SYSGRATION LTD. AND SUBSIDIARIES

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

September 30, 2025

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
SYSGRATION ELECTRONICS TECHNOLOGY (HUIZHOU) CO., LTD.	SYSGRATION LTD.	Affiliate	\$ 438,323	2.34	\$ -	-	\$ 62,449	\$ -

SYSGRATION LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Nine months ended September 30, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount	Transaction terms	
1	SYSGRATION ELECTRONICS TECHNOLOGY (HUIZHOU) CO., LTD.	SYSGRATION LTD.	2	Accounts receivable	\$ 438,323	Note 6	8%
1	SYSGRATION ELECTRONICS TECHNOLOGY (HUIZHOU) CO., LTD.	SYSGRATION LTD.	2	Sales of goods	798,373	Note 6	32%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Transaction amount that did not reach NT\$100 million or 20% of paid-in capital or more will not be disclosed. Additionally, the counter related parties' of the transaction will also not be disclosed.

Note 4: Ratios of asset/liability are divided by consolidated total assets, and ratios of profit/loss accounts are divided by consolidated sales revenue.

Note 5: The loans granted and endorsement and guarantees between the Company and subsidiaries, please refer to tables 1 and 2.

Note 6: There are no comparable transaction to non-related parties. The conditions of transactions are agreed upon by both parties.

SYSGRATION LTD. AND SUBSIDIARIES

Information on investees

For the nine months ended September 30, 2025

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2025			Net profit (loss) of the investee for the nine months ended September 30, 2025	Investment income(loss) recognised by the Company for the nine months ended September 30, 2025	Footnote
				Balance as at September 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership	Book value	(Note 2(2))	(Note 2(3))	
SYSGRATION LTD.	POWER TANK ENERGY LTD.	TAIWAN	Manufacturing and sale of energy management products	\$ 464,884	\$ 413,884	30,186,800	72.41%	\$ 520,180	(\$ 52,011)	(\$ 46,818)	
POWER TANK ENERGY LTD.	SYSGRATION TECHNOLOGY (SAMOA) LTD.	SAMOA	Investment holding of overseas companies	218,659	218,659	21,800,000	100%	135,919	(6,312)	(6,312)	
SYSGRATION LTD.	SYSGRATION (SAMOA) LTD.	SAMOA	Investment holding of overseas companies	505,131	505,131	15,938,000	100%	324,717	34,252	34,252	
SYSGRATION LTD.	SYSGRATION USA INC.	U.S.A.	Sale of electronic products	10,062	10,062	300,000	100%	4,433	75	75	
SYSGRATION LTD.	SYSGRATION INTERNATIONAL INC.	U.S.A.	Investment holding of overseas companies	1,272,281	970,806	30,000,000	100%	1,222,642	(10,047)	(10,047)	
SYSGRATION INTERNATIONAL INC.	SYSGRATION AMERICA CORPORATION	U.S.A.	Manufacturing and sale of electronic products	938,018	753,910	30,000,000	100%	1,153,110	(12,393)	(12,393)	
SYSGRATION LTD.	LEADRAY ENERGY CO., LTD.	TAIWAN	Manufacturing and sale of solar energy and green lighting equipments	158,088	133,736	14,593,028	38.20%	131,139	(34,017)	(12,817)	

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1)The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at September 30, 2025' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2)The 'Net profit (loss) of the investee for the nine months ended September 30, 2025' column should fill in amount of net profit (loss) of the investee for this period.
- (3)The 'Investment income (loss) recognized by the Company for the nine months ended September 30, 2025' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognized investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognized investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognized by regulations.

SYSGRATION LTD. AND SUBSIDIARIES

Information on investments in Mainland China

Nine months ended September 30, 2025

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 5)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025 (Note 5 and Note 8)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2025 (Note 5)		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025 (Note 5)	Net income of investee as of September 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2025 (Note 2(2)B)	Book value of investments in Mainland China as of September 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
SYSGRATION ELECTRONICS TECHNOLOGY (ZHENJIANG) CO., LTD.	Manufacturing and sale of energy storage products	\$ 657,612	2	\$ 213,778	-	-	\$ 213,778	(\$ 5,432)	100%	(\$ 5,432)	\$ 139,176	-	Note 6
SYSGRATION ELECTRONICS TECHNOLOGY (HUIZHOU) CO., LTD.	Manufacturing and sale of electronic products	112,647	2	112,647	-	-	112,647	33,405	100%	33,405	266,608	-	Note 7

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025 (Note 3, Note 5, and Note 8)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 5)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)	Footnote
POWER TANK ENERGY LTD.	\$ 213,778	\$ 213,778	\$ 431,029		Note 9
SYSGRATION LTD.	112,647	112,647	2,465,068		

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1)Directly invest in a company in Mainland China.
- (2)Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3)Others

Note 2: In the 'Investment income (loss) recognised by the Company for the nine months ended September 30, 2025' column:

- (1)It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2)Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - A. The financial statements that were reviewed by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B. The financial statements that were reviewed by R.O.C. parent company's CPA.
 - C. Others.

Note 3: The Company reinvested in 'SYSGRATION ELECTRONICS TECHNOLOGY (ZHENJIANG) CO., LTD.' through 'SYSGRATION TECHNOLOGY (SAMOA) LTD.' which was invested by the Company under the approval of Jing-Shen-II-Zi No.10100477000, No.10200372350, No.10300319430, No.1040023080, No.10500055360 and No.10500105990. Because the Company split its energy storage business segment to newly established company through a spin-off, the Company reinvested in 'SYSGRATION TECHNOLOGY (SAMOA) LTD.' and 'SYSGRATION ELECTRONICS TECHNOLOGY (ZHENJIANG) CO., LTD.' through 'POWER TANK ENERGY LTD.' which was approved by Jing-Shen-II-Zi No.11200074130 and No.11200124140. Additionally, the Company reinvested in 'SYSGRATION ELECTRONICS TECHNOLOGY (HUIZHOU) CO., LTD.' through 'SYSGRATION (SAMOA) LTD.' which was invested by the Company under the approval of Jing-Shen-II-Zi No.10400006240, No.10400023090, No.10400163350, No.10400251280 and No.10500072680.

Note 4: The ceiling is NT\$80 million and 60% of the net assets or consolidated net assets, whichever is higher.

Note 5: It was translated to NTD at the exchange rate on September 30, 2025.

Note 6: Through SYSGRATION TECHNOLOGY (SAMOA) LTD..

Note 7: Through SYSGRATION (SAMOA) LTD..

Note 8: Under the approval of Jing-Shen-II-Zi No.11200124140, POWER TANK ENERGY LTD. reinvested in the net value at the spin-off of 'SYSGRATION ELECTRONICS TECHNOLOGY (ZHENJIANG) CO., LTD.'s through 'SYSGRATION TECHNOLOGY (SAMOA) LTD.', therefore, it is different from the remitted amount.

Note 9: POWER TANK ENERGY LTD. completed the investment in Mainland China in the third quarter of 2023 and the ceiling on investments was \$236,414 which was calculated based on POWER TANK ENERGY LTD.'s net assets of \$394,024 in the third quarter of 2023.

SYSGRATION LTD. AND SUBSIDIARIES
Significant transactions , either directly or indirectly through a third area, with investee companies in the Mainland Area
Nine months ended September 30, 2025

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Other accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
	Amount	%	Amount	%	Balance at September 30, 2025	%	Balance at September 30, 2025	%	Balance at September 30, 2025	Purpose	Maximum balance during the nine months ended September 30, 2025	Balance at September 30, 2025	Interest rate	Interest for the nine months ended September 30, 2025	Others
SYSGRATION ELECTRONICS TECHNOLOGY (HUIZHOU) CO., LTD.	(\$ 798,373)	56%	\$ -	-	(\$ 438,323)	-73%	\$ 61,774	94%	Note	Note	\$ 66,142	\$ 61,774	-	\$ -	

Note: Please refer to table 2.