GMT Global Inc. and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

GMT GLOBAL INC.

By:

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Chen, Chin-Hsin
President

March 25, 2026

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
GMT Global Inc.

Opinion

We have audited the accompanying consolidated financial statements of GMT Global Inc. (the "Corporation") and its subsidiaries (collectively the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2025 is described as follows:

<u>Revenue Recognition For specific customers</u>

The Group's operating revenue mainly comes from the production and sales of automation modules and components. Furthermore, transactions with specific customers are significant to the Company's overalll operating revenue. As a result, the authenticity of revenue recognition for specific customers has been identified as a key audit matter. The revenue recognition accounting policy is disclosed in Note 4.

Our key audit procedures performed in respect of revenue recognition included the following:

1. We understood the design and implementation of internal controls related to revenue recognition, and performed audit testing to assess the effectiveness of these controls during the year.

2. We selected samples from the revenue details of the specific customers, and verified them against orders, shipment records, sales invoices, and payment vouchers to confirm the authenticity of revenue recognition.

Other Matter

We have also audited the parent company only financial statements of GMT Global Inc. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Ting-Chien Su and Shao-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 25, 2026

<u>*Notice to Readers*</u>

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

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

GMT GLOBAL INC. AND SUBSIDIARIES

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

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash (Note 6)	$ 113,129	6	$ 58,019	3
Financial assets at amortized cost - current (Notes 7 and 26)	35,929	2	14,002	1
Notes receivable (Notes 8, 18 and 26)	85,050	5	58,959	4
Trade receivables (Notes 8 and 18)	230,652	12	158,142	9
Inventories (Note 9)	473,101	25	472,087	28
Other current assets	39,196	2	19,998	1
Total current assets	977,057	52	781,207	46
NON-CURRENT ASSETS				
Property, plant and equipment (Notes 11 and 26)	819,181	44	845,971	50
Right-of-use assets (Note 12)	11,793	1	13,299	1
Goodwill (Note 13)	14,971	1	15,441	1
Other intangible assets	8,557	-	2,343	-
Deferred tax assets (Note 20)	27,792	2	22,752	2
Prepayments for machinery and equipment	2,442	-	3,017	-
Refundable deposits	4,309	-	3,677	-
Total non-current assets	889,045	48	906,500	54
TOTAL	$ 1,866,102	100	$ 1,687,707	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 8, 14 and 6)	$ 349,743	19	$ 118,067	7
Short-term bills payable (Note 14)	15,941	1	22,902	1
Notes payable	7,846	-	1,875	-
Trade payables	82,605	5	90,540	5
Other payables (Note 15)	80,867	4	67,334	4
Lease liabilities - current (Note 12)	7,185	-	6,521	1
Current portion of long-term borrowings (Notes 14 and 26)	67,729	4	34,143	2
Other current liabilities	5,046	-	8,210	1
Total current liabilities	616,962	33	349,592	21
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 14 and 26)	620,673	33	819,762	49
Deferred tax liabilities (Note 20)	2,972	-	94	-
Lease liabilities - non-current (Note 12)	4,776	-	7,074	-
Net defined benefit liabilities - non-current (Note 16)	10,863	1	9,403	1
Guarantee deposits received	5,395	1	5,374	-
Total non-current liabilities	644,679	35	841,707	50
Total liabilities	1,261,641	68	1,191,299	71
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Ordinary shares	416,966	22	366,966	22
Capital surplus	304,525	16	128,927	7
Retained earnings				
Legal reserve	179	-	-	-
Special reserve	557	-	-	-
unappropriated earnings (Accumulated deficit)	(117,670)	(6)	1,791	-
Other equity	(2,479)	-	(557)	-
Total equity attributable to owners of the Corporation	602,078	32	497,127	29
NON-CONTROLLING INTERESTS	2,383	-	(719)	-
Total equity	604,461	32	496,408	29
TOTAL	$ 1,866,102	100	$ 1,687,707	100

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

GMT GLOBAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2025		2024	
	Amount	%	Amount	%
SALES (Note 18)	$ 603,231	100	$ 623,172	100
COST OF GOODS SOLD (Notes 9 and 19)	456,043	76	425,882	68
GROSS PROFIT	147,188	24	197,290	32
OPERATING EXPENSES (Notes 19 and 25)				
Selling and marketing expenses	103,376	17	93,909	15
General and administrative expenses	80,326	13	67,594	11
Research and development expenses	76,977	13	40,912	7
Expected credit loss (Note 8)	780	-	902	-
Total operating expenses	261,459	43	203,317	33
LOSS FROM OPERATIONS	(114,271)	(19)	(6,027)	(1)
NON-OPERATING INCOME AND EXPENSES				
Other gains and losses (Note 19)	11,335	2	17,382	3
Finance costs (Note 19)	(26,419)	(4)	(23,708)	(4)
Interest income	452	-	145	-
Other income (Note 19)	13,210	2	5,367	1
Total non-operating income and expenses	(1,422)	-	(814)	-
LOSS BEFORE INCOME TAX	(115,693)	(19)	(6,841)	(1)
INCOME TAX EXPENSE (BENEFIT) (Note 20)	843	-	(7,321)	(1)
NET PROFIT (LOSS) FOR THE YEAR	(116,536)	(19)	480	-
OTHER COMPREHENSIVE INCOME (LOSS)				
Remeasurement of defined benefit plans (Note 16)	(3,003)	(1)	1,750	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 20)	600	-	(350)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(1,713)	-	5,211	1
Other comprehensive (loss) income for the year, net of income tax	(4,116)	(1)	6,611	1
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	$ (120,652)	(20)	$ 7,091	1

(Continued)

GMT GLOBAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ (116,322)	(19)	$ 391	-
Non-controlling interests	(214)	-	89	-
	$ (116,536)	(19)	$ 480	-
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ (120,647)	(20)	$ 7,008	1
Non-controlling interests	(5)	-	83	-
	$ (120,652)	(20)	$ 7,091	1
EARNINGS (LOSS) PER SHARE (Note 21)				
Basic	$ (2.96)		$ 0.01	
Diluted	$ (2.96)		$ 0.01	

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

GMT GLOBAL INC. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Corporation								
			Retained Earnings (Notes 16 and 17)						
	Ordinary Shares (Note 17)	Capital Surplus (Note 17)	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumlated Deficit)	Exchange Differences on Translating the Financial Statements of Foreign Operations	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2024	366,966	227,257	-	$ -	$ (98,330)	$ (5,774)	$ 490,119	$ (802)	$ 489,317
Capital surplus used to cover accumulated deficit	-	(98,330)	-	-	98,330	-	-	-	-
Net profit for the year ended December 31, 2024	-	-	-	-	391	-	391	89	480
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	1,400	5,217	6,617	(6)	6,611
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,791	5,217	7,008	83	7,091
BALANCE AT DECEMBER 31, 2024	366,966	128,927	-	-	1,791	(557)	497,127	(719)	496,408
Appropriation of 2024 earnings									
Legal reserve	-	-	179	-	(179)	-	-	-	-
Special reserve	-	-	-	557	(557)	-	-	-	-
Issuance of ordinary shares for cash	50,000	175,000	-	-	-	-	225,000	-	225,000
Issuance of ordinary shares under employee share options	-	598	-	-	-	-	598	-	598
Changes in non-controlling interests	-	-	-	-	-	-	-	3,107	3,107
Net loss for the year ended December 31, 2025	-	-	-	-	(116,322)	-	(116,322)	(214)	(116,536)
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	(2,403)	(1,922)	(4,325)	209	(4,116)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	(118,725)	(1,922)	(120,647)	(5)	(120,652)
BALANCE AT DECEMBER 31, 2025	$ 416,966	$ 304,525	$ 179	$ 557	$ (117,670)	$ (2,479)	$ 602,078	$ 2,383	$ 604,461

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

GMT GLOBAL INC. AND SUBSIDIARIES

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (115,693)	$ (6,841)
Adjustments for:		
Depreciation expenses	56,068	53,371
Amortization expenses	1,189	1,207
Expected credit loss recognized on trade receivables	780	902
Finance costs	26,419	23,708
Interest income	(452)	(145)
Compensation costs of share-based payments	598	-
Gain on disposal of property, plant and equipment	(218)	(12,407)
Impairment loss (reversed) recognized on non-financial assets	17,295	(7,691)
Unrealized foreign currency exchange loss (gain), net	(14,426)	304
Gain on lease modification	-	(2)
Changes in operating assets and liabilities		
Notes receivable	(24,922)	(21,225)
Trade receivables	(55,817)	(47,986)
Inventories	(15,718)	(38,768)
Other current assets	(17,350)	(12,751)
Notes payable	5,532	(447)
Trade payables	(16,032)	31,665
Other payables	13,391	10,241
Other current liabilities	(3,210)	(8,188)
Net defined benefit liabilities	(1,543)	(1,063)
Cash generated from operations	(144,109)	(36,116)
Interest received	452	142
Interest paid	(26,562)	(23,405)
Income tax refunded (paid)	(2,340)	49
Net cash used in operating activities	(172,559)	(59,330)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(21,927)	(14,002)
Payments for property, plant and equipment	(21,374)	(10,348)
Proceeds from disposal of property, plant and equipment	1,109	37,729
Increase in refundable deposits	(626)	(167)
Payments for intangible properties	(7,405)	-
Increase in prepayments for machinery and equipment	(206)	(541)
Net cash generated (used in) from investing activities	(50,429)	12,671
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	230,417	66,324
Repayments of short-term bills payable	(6,961)	(6,949)
Proceeds from long-term borrowings	138,590	63,599
Repayments of long-term borrowings	(304,174)	(51,023)
Proceeds from guarantee deposits received	-	283

(Continued)

GMT GLOBAL INC. AND SUBSIDIARIES

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

	2025	2024
Repayment of the principal portion of lease liabilities	$ (8,091)	$ (8,770)
Issuance of ordinary shares for cash	225,000	-
Changes in non-controlling interests	3,107	-
Net cash generated from financing activities	277,888	63,464
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	210	322
NET INCREASE IN CASH	55,110	17,127
CASH AT THE BEGINNING OF THE YEAR	58,019	40,892
CASH AT THE END OF THE YEAR	$ 113,129	$ 58,019

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

GMT GLOBAL INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

GMT GLOBAL INC. (the "Corporation") was established in February 1995 and began its operation in April 1996. The main business is manufacturing and trading of metal molds, linear motion modules and components, as well as machinery manufacturing and repair.

The Corporation's shares were approved to be traded on the Emerging Stock Market by Taipei Exchange in July 2018.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors on March 25, 2026.

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

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

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the accounting policies of the Corporation and its subsidiaries (collectively referred to as the "Group").

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

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

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

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

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

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

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

1) IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

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

a) To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

b) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

c) Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

d) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

a) The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

b) Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

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

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

d. Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

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

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

See Note 10, Tables 5 and 6 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including the subsidiaries or associates in other countries that use currencies which are different from the Corporation) are translated into the New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income and attributed to the owners of the Corporation and non-controlling interests as appropriate.

f. Inventories

Inventories consist of raw materials, work-in-process, finished goods and merchandise and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

g. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

h. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units or groups of cash-generating units (referred to as “cash-generating units”) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized on goodwill is not reversed in subsequent periods.

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

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

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

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: financial assets at amortized cost.

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

i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and restricted bank deposits, notes receivable, trade receivables, other receivables and refundable deposits at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such financial asset, except for:

i. Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial asset; and
ii. Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i. Significant financial difficulty of the issuer or the borrower;

ii. Breach of contract, such as a default;

iii. It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv. The disappearance of an active market for that financial asset because of financial difficulties.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

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

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

l. Revenue recognition

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

For contracts where the period between the date on which the Group transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

Sales of goods are recognized as revenue when the goods are shipped/the goods are picked up because it is the time when the customer has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivable is recognized concurrently. The transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

m. Leases

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

1) The Group as lessor

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

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

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

n. Borrowing costs

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

o. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

q. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

Deferred tax is calculated on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

3) Current and deferred taxes for the year

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations inflation and interest rate fluctuations in financial, energy, foreign currency markets and US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH

	December 31	
	2025	**2024**
Cash on hand	$ 892	$ 1,243
Checking accounts and demand deposits	112,237	56,776
	$ 113,129	$ 58,019
Rate of interest per annum (%)		
Cash in bank	0-0.705	0-0.95

7. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
Current		
Pledged time deposits	$ 35,929	$ 14,002
Rate of interest per annum (%)	0.655-0.705	0.705

Refer to Note 26 for information relating to investments in financial assets at amortized cost pledged as security.

8. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2025	2024
Notes receivable		
At amortized cost		
Gross carrying amount	$ 85,074	$ 58,980
Less: Allowance for impairment loss	(24)	(21)
	$ 85,050	$ 58,959
Trade receivables		
At amortized cost		
Gross carrying amount	$ 236,782	$ 163,406
Less: Allowance for impairment loss	(6,130)	(5,264)
	$ 230,652	$ 158,142

a. Notes receivable

The Group entered into notes receivable discounting agreements with recourse with Bank of China Limited and Industrial and Commercial Bank of China Limited. Although the Group has transferred the cash flow rights of such notes receivable under the agreements, it is still required to bear the credit risk of uncollectible notes receivable as per the agreement. Therefore, the transfer does not qualify for derecognition of financial assets. The relevant transaction information is as follows:

	December 31, 2025		
Transferee	Transferred Amount	Advanced Amount (Note 1)	Rate of Interest Per Annum (%)
Bank of China Limited	$ 28,602	$ 28,602	0.70-1.50
Industrial and Commercial Bank of China Limited	35,842	35,842	0.98-2.15
	$ 64,444	$ 64,444	

Transferee	December 31, 2024 Transferred Amount	Advanced Amount (Note 1)	Rate of Interest Per Annum (%)
Bank of China Limited	$ 20,077	$ 20,077	0.75-1.60
Industrial and Commercial Bank of China Limited	15,130	15,130	1.50-2.333
	$ 35,207	$ 35,207	

Note 1: Refer to Note 14 and 26 for information relating to short-term borrowings.

b. Trade receivables

The average credit period of sales of goods is 30 to 150 days. No interest is charged on trade receivables. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

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

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

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

The following table details the loss allowance of notes receivables and trade receivables:

	Not Past Due	1 to 60 Days	61 to 180 Days	181 to 360 Days	Over 360 Days	Total
December 31, 2025						
Expected credit loss rate	0.001%-0.1%	0.005%	10%	50%	100%	
Gross carrying amount	$ 301,038	$ 9,085	$ 4,568	$ 2,988	$ 4,177	$ 321,856
Loss allowance (Lifetime ECLs)	(25)	(1)	(457)	(1,494)	(4,177)	(6,154)
Amortized cost	$ 301,013	$ 9,084	$ 4,111	$ 1,494	$ -	$ 315,702

	Not Past Due	1 to 60 Days	61 to 180 Days	181 to 360 Days	Over 360 Days	Total
December 31, 2024						
Expected credit loss rate	0.001%-0.1%	0.005%	10%	50%	100%	
Gross carrying amount	$ 197,077	$ 10,354	$ 10,700	$ 125	$ 4,130	$ 222,386
Loss allowance (Lifetime ECLs)	(22)	(1)	(1,070)	(62)	(4,130)	(5,285)
Amortized cost	$ 197,055	$ 10,353	$ 9,630	$ 63	$ -	$ 217,101

The movements of the loss allowance were as follows:

	For the Year Ended December 31, 2025	
	Notes Receivable	Trade Receivables
Balance on January 1, 2025	$ 21	$ 5,264
Net remeasurement of loss allowance	3	777
Foreign exchange gains and losses	-	89
Balance on December 31, 2025	$ 24	$ 6,130

	For the Year Ended December 31, 2024	
	Notes Receivable	Trade Receivables
Balance on January 1, 2024	$ 16	$ 4,229
Net remeasurement of loss allowance	5	897
Foreign exchange gains and losses	-	138
Balance on December 31, 2024	$ 21	$ 5,264

9. INVENTORIES

	December 31	
	2025	2024
Merchandise	$ 137	$ 136
Finished goods	181,069	161,369
Work in progress	269,427	284,155
Raw materials	21,721	25,943
Inventory in transit	747	484
	$ 473,101	$ 472,087

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2025	2024
Cost of inventories sold	$ 422,186	$ 419,162
Inventory write-downs (reversed)	17,295	(7,691)
Unallocated production overhead	16,562	14,411
	$ 456,043	$ 425,882

In 2024, inventory write-downs were reversed as a result of recovery of net realizable value.

10. SUBSIDIARIES

Entities included in the Group's consolidated financial statements were as follows:

			% of Ownership	
			December 31	
Investor	Investee	Main Business	2025	2024
The Corporation	PROMOTE CO., LTD ("PROMOTE")	Investment Holding	100	100
	GMT Europe GmbH ("GMT Germany")	Sale of automation modules and components	85	85
	Dongguan Changrui Intelligent Equipment Co., Ltd. (Changrui Co., Ltd.) (Note)	Manufacturing and trading of machinery, equipment and related spare parts	70	-
PROMOTE	Dongguan Ding Qi ("Ding Qi")	Manufacture and sale of molds. Sales of automation modules and components	100	100

Note: In July 2025, the Company acquired a 70% equity interest in Changrui Co., Ltd. for $7,249 thousand.

Refer to Table 5 and 6 for the information of the nature of the business, on the places of incorporation and principal places of business.

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress	Total
Cost							
Beginning on January 1, 2025	$ 226,903	$ 557,879	$ 304,515	$ 1,546	$ 38,463	$ 608	$ 1,129,914
Additions	-	3,850	2,951	151	14,361	-	21,313
Disposals	-	-	(10,497)	-	(4,244)	-	(14,741)
Reclassified Amount	-	608	-	-	781	(608)	781
Effects of foreign currency exchange differences	-	85	259	5	143	-	492
Balance on December 31, 2025	$ 226,903	$ 562,422	$ 297,228	$ 1,702	$ 49,504	$ -	$ 1,137,759

(Continued)

	Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress	Total
Accumulated depreciation							
Beginning on January 1, 2025	$ -	$ 84,160	$ 179,418	$ 612	$ 19,753	$ -	$ 283,943
Depreciation expenses	-	11,548	28,959	369	7,223	-	48,099
Disposals	-	-	(9,810)	-	(4,040)	-	(13,850)
Effects of foreign currency exchange differences	-	101	188	10	87	-	386
Balance on December 31, 2025	$ -	$ 95,809	$ 198,755	$ 991	$ 23,023	$ -	$ 318,578
Carrying amount on December 31, 2025	$ 226,903	$ 466,613	$ 98,473	$ 711	$ 26,481	$ -	$ 819,181
Cost							
Beginning on January 1, 2024	$ 242,467	$ 565,666	$ 302,086	$ 6,954	$ 43,813	$ 637	$ 1,161,623
Additions	-	2,205	8,040	485	3,847	15	14,592
Disposals	(15,564)	(10,719)	(25,188)	(5,904)	(12,078)	-	(69,453)
Reclassified Amount	-	44	18,360	-	2,738	(44)	21,098
Effects of foreign currency exchange differences	-	683	1,217	11	143	-	2,054
Balance on December 31, 2024	$ 226,903	$ 557,879	$ 304,515	$ 1,546	$ 38,463	$ 608	$ 1,129,914
Accumulated depreciation							
Beginning on January 1, 2024	$ -	$ 73,923	$ 176,544	$ 6,235	$ 25,194	$ -	$ 281,896
Depreciation expenses	-	10,954	26,983	275	6,471	-	44,683
Disposals	-	(1,154)	(25,066)	(5,904)	(12,007)	-	(44,131)
Effects of foreign currency exchange differences	-	437	957	6	95	-	1,495
Balance on December 31, 2024	$ -	$ 84,160	$ 179,418	$ 612	$ 19,753	$ -	$ 283,943
Carrying amount on December 31, 2024	$ 226,903	$ 473,719	$ 125,097	$ 934	$ 18,710	$ 608	$ 845,971

(Concluded)

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

Buildings and improvements	
Main buildings	20-55 years
Other	5-12years
Machinery equipment	3-18years
Transportation equipment	2-5years
Miscellaneous equipment	2-15years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 26.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
Carrying amounts		
Land	$ 2,775	$ 3,532
Buildings	7,551	9,767
Transportation equipment	1,467	-
	$ 11,793	$ 13,299

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	$ 6,457	$ 5,505
Depreciation charge for right-of-use assets		
Land	$ 757	$ 726
Buildings	6,451	7,136
Transportation equipment	761	826
	$ 7,969	$ 8,688

Except for the addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2025 and 2024.

b. Lease liabilities

	December 31	
	2025	2024
Carrying amounts		
Current	$ 7,185	$ 6,521
Non-current	$ 4,776	$ 7,074

Range of discount rate for lease liabilities was as follows:

	December 31	
	2025	2024
Land	1.855-1.90	1.855-1.90
Buildings	1.855-5.10	1.855-5.10
Transportation equipment	8.00	8.00

c. Material leasing activities and terms

The Group also leases land and buildings for the use of plants, offices, employee dormitory, operation and production with lease terms of 2 to 6 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

The Group leases transportation equipment with lease terms of 3 years. These arrangements do not contain renewal or purchase options.

d. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	$ 4,181	$ 2,752
Expenses relating to low-value asset leases	$ 281	$ 294
Total cash outflow for leases	$ (13,137)	$ (12,529)

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

13. GOODWILL

	For the Year Ended December 31	
	2025	2024
Cost		
Balance on January 1	$ 15,441	$ 14,720
Effect of foreign currency exchange differences	(470)	721
Balance on December 31	$ 14,971	$ 15,441

The Group recognized goodwill arising from the acquisition of controlling interests in GMT Germany and Ding Qi. The goodwill was recognized at the acquisition date as the excess of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed.

During impairment testing, the goodwill was allocated solely to the individual cash-generating units (CGUs) of GMT Germany company and Ding Qi. Accordingly, any impairment of goodwill is assessed by comparing the recoverable amount of each company's CGU with its net carrying amount.

The goodwill related to the acquisitions of GMT Germany and Ding Qi amounted to NT$4,077 thousand and NT$10,894 thousand, respectively. The recoverable amounts were determined based on value in use, using estimated future cash flows from the financial budgets approved by the Group's management for the next five years. The discount rates applied were 11.52-12.07% in 2025 and 10.55%-10.65% in 2024.

The key assumptions used by management in preparing the five-year budgets included projected revenue and gross profit margin, which were based on historical operating performance and management's expectations of market conditions. For cash flows beyond the five-year period, a stable growth rate was applied in both 2025 and 2024.

Management believes that any reasonably possible changes in the key assumptions used to determine the recoverable amounts of GMT Germany and Ding Qi would not cause their carrying amounts to exceed their recoverable amounts.

Based on the assessment, the recoverable amounts of both GMT Germany and Ding Qi exceeded their carrying amounts, and therefore, no impairment loss was recognized.

14. BORROWINGS

a. Short-term borrowings

	December 31	
	2025	2024
Secured borrowings	$ 349,743	$ 118,067
Rate of interest per annum (%)	0.70-3.10	0.75-3.25

b. Short-term bills payable

	December 31	
	2025	2024
Commercial paper	$ 16,000	$ 23,000
Less: Unamortized discounts on bills payable	(59)	(98)
	$ 15,941	$ 22,902
Rate of interest per annum (%)	3.64	3.54

c. Long-term borrowings

	December 31	
	2025	2024
Secured borrowings		
Bank loans	$ 688,402	$ 831,537
Other loans	-	22,368
	688,402	853,905
Less: Current portion	(67,729)	(34,143)
Long-term borrowings	$ 620,673	$ 819,762
Rate of interest per annum (%)	2.36-4.55	2.35-5.10
Maturity date		
Bank loans	2026.08-2037.08	2026.08-2037.08
Other loans	-	2026.10

The borrowings were secured by the Group’s assets or management (See Note 26).

15. OTHER PAYABLES

	December 31	
	2025	2024
Payables for salaries and bonuses	$ 38,082	$ 33,079
Others	42,785	34,255
	$ 80,867	$ 67,334

16. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Corporation makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

GMT Germany has pension plans which pay for an annuity and certain types of insurance under the local regulations. In accordance with the regulations of the local government, Ding Qi Company pays basic pension insurance premiums for its local employees on a monthly basis, and hands it over to the relevant departments of the local government to make overall arrangements and pay the retirement pensions of retired employees, which are all plans for defining the contribution of retirement.

b. Defined benefit plans

The defined benefit plans adopted by the Corporation in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau").

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

	December 31	
	2025	**2024**
Present value of defined benefit obligation	$ 15,622	$ 20,998
Fair value of plan assets	(4,759)	(11,595)
Net defined benefit liabilities	$ 10,863	$ 9,403

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance on January 1, 2025	$ 20,998	$ (11,595)	$ 9,403
Service cost			
Current service cost	1,069	-	1,069
Net interest expense (income)	341	(196)	145
Recognized in profit or loss	1,410	(196)	1,214
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(742)	(742)
Actuarial loss - changes in financial assumptions	137	-	137
Actuarial loss - experience adjustments	3,608	-	3,608
Recognized in other comprehensive income	3,745	(742)	3,003
Contributions from the employer	-	(2,552)	(2,552)
Benefits paid	(10,531)	10,326	(205)
Balance on December 31, 2025	$ 15,622	$ (4,759)	$ 10,863

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance on January 1, 2024	$ 21,810	$ (9,594)	$ 12,216
Service cost			
Current service cost	857	-	857
Past service cost	270	-	270
Net interest expense (income)	264	(119)	145
Recognized in profit or loss	1,391	(119)	1,272
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(849)	(849)
Actuarial gain - changes in financial assumptions	(931)	-	(931)
Actuarial loss - experience adjustments	30	-	30
Recognized in other comprehensive income	(901)	(849)	(1,750)
Contributions from the employer	-	(1,033)	(1,033)
Benefits paid	(1,302)	-	(1,302)
Balance on December 31, 2024	$ 20,998	$ (11,595)	$ 9,403

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

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

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2025	2024
Discount rates (%)	1.50	1.625
Expected rates of salary increase (%)	2.00	2.00

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

	December 31	
	2025	2024
Discount rate		
0.25% increase	$ (272)	$ (592)
0.25% decrease	$ 284	$ 615
Expected rate of salary increase/decrease		
0.25% increase	$ 278	$ 601
0.25% decrease	$ (267)	$ (582)

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

	December 31	
	2025	2024
Expected contributions to the plan for the next year	$ 1,173	$ 1,000
Average duration of the defined benefit obligation	20 years	16 years

17. EQUITY

a. Ordinary shares

	December 31	
	2025	2024
Number of shares authorized (in thousands)	50,000	50,000
Shares authorized	$ 500,000	$ 500,000
Number of shares issued and fully paid (in thousands)	41,697	36,697
Shares issued	$ 416,966	$ 366,966

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

On April 16, 2025, the Company’s board of directors resolved to issue 5,000 thousand ordinary shares with a par value of NT$10 per share at an issue price of NT$45 per share. The capital increase record date was June 26, 2025.

b. Capital surplus

Such capital surplus-issuance of ordinary shares may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation’s capital surplus and to once a year).

c. Retained earnings and dividends policy

According to the earnings distribution policy of the Corporation’s Articles of Incorporation, if there are earnings in the Corporation’s annual final accounts, the Corporation shall first pay taxes to make up for the accumulated loss over the years, and 10% shall be allocated as the legal reserve, and a special reserve shall be allocated or reversed in accordance with the regulations or the competent authority’s requirement. If there is still a surplus, the balance shall be added to the accumulated undistributed earnings of the previous year, and the board of directors shall draft a distribution proposal accordingly. When new shares are to be issued for it, the decision shall be submitted to the shareholders’ meeting for a resolution before distribution. When all or part of the Corporation’s dividends and bonuses, legally distributable legal reserve and capital surplus are distributed in cash, in accordance with Item 5, Article 240 of the Company Act, the board of directors is authorized to make a resolution in a board meeting attended by more than two-thirds of the directors, with the approval of more than half of the attending directors obtained; the resolution shall be reported to the shareholders’ meeting.

In line with the current and future development plans, the Corporation’s dividend policy stipulates that at least 40% of the accumulated unappropriated earnings should be distributed as dividends to shareholders, taking into consideration the investment environment funding needs, and foreign and domestic competition. With the laws and regulation, the board of directors shall prepare a proposal for the distribution of earnings every year and submit it to the shareholders' meeting for resolution to distribute. The dividends should be distributed as cash dividends or share dividends. In the case of distribution of share dividends, the amount of cash dividends distributed should not be lower than 20% of the total dividends distributed.

Appropriation of earnings to legal reserve could be made until the legal reserve equals the Corporation’s paid-in capital. The legal reserve may be used to offset deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation’s paid-in capital, the excess may be transferred to capital or distributed in cash.

When special reserve is recognized for the net decrease in other equity accumulated in prior years, only the undistributed earnings of prior years are recognized.

The appropriations of earnings for 2025 and 2024 that had been resoled by the shareholders in their meetings on June 11, 2025 and June 12, 2024, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2024	**2023**
Legal reserve	$ 179	$ -
Special reserve	557	-
Capital surplus used to cover accumulated deficit	-	(98,330)

The appropriation of earnings for 2025, which was proposed by the Corporation’s board of directors on March 25, 2026 was as follows:

	For the Year Ended December 31
	2025
Capital surplus used to cover accumulated deficit	$ (117,670)

The appropriation of earnings for 2025 is subject to the resolution of the shareholders in their meeting to be held in June, 2026.

18. REVENUE

	For the Year Ended December 31	
	2025	2024
Revenue from contracts with customers		
Revenue from the sale of goods	$ 603,231	$ 623,172

Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable	$ 85,050	$ 58,959	$ 37,165
Accounts receivable	230,652	158,142	109,901
	$ 315,702	$ 217,101	$ 147,066

19. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Other income

	For the Year Ended December 31	
	2025	2024
Subsidy income	$ 12,444	$ 336
Others	766	5,031
	$ 13,210	$ 5,367

b. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Gain on disposal of property, plant and equipment	$ 218	$ 12,407
Net foreign exchange gains	11,146	5,094
Others	(29)	(119)
	$ 11,335	$ 17,382

c. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	$ 25,835	$ 22,995
Interest on lease liabilities	584	713
	$ 26,419	$ 23,708

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2025	2024
Capitalized interest	$ -	$ 470
Capitalization rates (%)	-	2.55

d. Employee benefits expense, depreciation and amortization expenses

	Operating Costs	Operating Expenses	Total
For the Year Ended December 31, 2025			
Short-term employee benefits	$ 138,233	$ 148,463	$ 286,696
Post-employment benefits			
Defined contribution plans	4,865	5,519	10,384
Defined benefit plans	717	497	1,214
Other employee benefits	3,097	2,958	6,055
Depreciation expenses	43,636	12,432	56,068
Amortization expenses	735	454	1,189
For the Year Ended December 31, 2024			
Short-term employee benefits	151,662	123,791	275,453
Post-employment benefits			
Defined contribution plans	4,202	4,711	8,913
Defined benefit plans	596	676	1,272
Other employee benefits	3,781	2,626	6,407
Depreciation expenses	42,118	11,253	53,371
Amortization expenses	880	327	1,207

e. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of the Corporation, the Corporation accrues compensation of employees and remuneration of directors at rates of no less than 2% and no higher than 7% and 5%, respectively, of net profit before income tax, compensation of employees, and the remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendments to the Company’s Articles at their 2025 regular meeting. However, the net loss before tax is made in 2025 and 2024, and thus the employees’ remuneration and directors’ remuneration are not estimated.

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

f. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2025	2024
Foreign exchange gains	$ 20,076	$ 6,023
Foreign exchange losses	(8,930)	(929)
Net foreign exchange gains	$ 11,146	$ 5,094

20. INCOME TAXES

a. Major components of income tax expense (benefit) recognized in profit or loss

	For the Year Ended December 31	
	2025	2024
Current tax		
Adjustments for prior years	$ 2,316	$ (2,125)
Deferred tax		
In respect of the current year	(1,473)	(5,196)
Income tax expense (benefit) recognized in profit or loss	$ 843	$ (7,321)

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2025	2024
Income tax expense calculated at the statutory rate	$ (31,027)	$ (6,186)
Non-deductible expenses in determining taxable income	187	6,741
Realized loss carryforwards	-	(10,908)
Unrecognized loss carryforwards	29,367	5,157
Adjustments for prior years' tax	2,316	(2,125)
Income tax expense (benefit) recognized in profit or loss	$ 843	$ (7,321)

The tax rate applicable to companies subject to the Income Tax Act in the ROC is 20%; the tax rate applicable to subsidiaries in China is 25%. Tax rates used by other entities in the Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

An income tax rate of 25% was applied to Ding Qi certified as high-tech enterprises is qualified for a preferential tax rate of 15% over a 3-year period according to Measures for Determination of High and New Tech Enterprises under Enterprise Income Tax Law of the People's Republic of China (revised). It received the high-tech enterprise certification in 2025 that will be able to adopt the preferential tax rate, 15%, until 2027.

b. Income tax expense (gain) recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
Deferred tax		
In respect of the current year:		
Remeasurement of defined benefit plans	$ 600	$ (350)

c. Deferred tax assets and liabilities

	For the Year Ended December 31, 2025				
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Difference	Closing Balance
Deferred tax assets					
Temporary differences					
Allowance for inventory devaluation	$ 13,724	$ 3,478	$ -	$ 75	$ 17,277
Others	9,028	873	600	14	10,515
	$ 22,752	$ 4,351	$ 600	$ 89	$ 27,792
Deferred tax liabilities					
Temporary differences					
Others	$ 94	$ 2,878	$ -	$ -	$ 2,972

	For the Year Ended December 31, 2024				
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Difference	Closing Balance
Deferred tax assets					
Temporary differences					
Allowance for inventory devaluation	$ 15,145	$ (1,512)	$ -	$ 91	$ 13,724
Others	6,665	2,695	(350)	18	9,028
	$ 21,810	$ 1,183	$ (350)	$ 109	$ 22,752
Deferred tax liabilities					
Temporary differences					
Investment accounted for using the equity method	$ 4,107	$ (4,107)	$ -	$ -	$ -
Others	-	94	-	-	94
	$ 4,107	$ (4,013)	$ -	$ -	$ 94

d. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets has been recognized in the consolidated balance sheets

	December 31	
	2025	2024
Deductible temporary differences	$ 46,509	$ -
Loss carryforwards		
Expiry in 2029	$ 65,430	$ 65,430
Expiry in 2030	56,797	56,797
Expiry in 2031	53,993	53,993
Expiry in 2032	37,427	37,427
Expiry in 2033	106,372	106,372
Expiry in 2034	32,863	34,379
Expiry in 2035	157,261	-
	$ 510,143	$ 354,398

e. Information about unused investment credits

Investment credit as of December 31, 2025 comprised:

Laws and Statutes	Tax Credit Source	Remaining Creditable Amount	Expiry Year
Statute for Industrial Innovation	Purchase of machinery and equipment	$ 3,100	2026

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

As of December 31, 2025 and 2024, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were $6,986 thousand.

g. Income tax assessments

The tax returns of the Corporation through 2023 has been assessed by the tax authorities, respectively.

21. EARNINGS PER SHARE

	Net Profit (Loss) Attributable to Owners of the Corporation	Number of Shares (In Thousands)	Earnings (Loss) Per Share (NT$)
For the Year Ended December 31, 2025			
Basic and diluted earnings per share			
Profit for the year attributable to owners of the Corporation	$ (116,322)	39,279	$ (2.96)
For the Year Ended December 31, 2024			
Basic and diluted loss per share			
Loss for the year attributable to owners of the Corporation	$ 391	36,697	$ 0.01

Since the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

22. NON-CASH TRANSACTIONS

	December 31	
	2025	2024
Changes in property, plant and equipment	$ 21,313	$ 14,592
Changes in payables for purchases of equipment	500	(2,586)
Changes in notes payable	(439)	(1,658)
	$ 21,374	$ 10,348

23. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group’s overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings offset by cash) and equity attributable to owners of the Corporation (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Group review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders and the amount of new debt issued or existing debt redeemed.

24. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	December 31	
	2025	2024
Financial assets		
Financial assets at amortized cost (1)	$ 470,345	$ 294,139
Financial liabilities		
Financial liabilities at amortized cost (2)	1,230,799	1,159,997

1) The balances included financial assets measured at amortized cost, which comprise cash, restricted bank deposits, notes receivable, trade receivables, other receivable and refundable deposits.

2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable notes payable, trade payables, other payables, long-term borrowings (including those due within one year) and guarantee deposits.

b. Financial risk management objectives and policies

The Group’s major financial instruments include, trade receivables, trade payables, lease liabilities and borrowings. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group manages its exposure to risks by adjusting its portfolio of financial instruments to mitigate the impact of such risks. It does not engage in transactions involving financial instruments (including derivative financial instruments) for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rate risk.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 28.

Sensitivity analysis

The Group was mainly exposed to the USD, EUR and RMB.

The following table details the Group's sensitivity to a 1% increase and decrease in functional currencies of the Group's entities against the USD, the EUR, the RMB. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit with the functional currencies of the Group's entities strengthening 1% against the relevant currency. For a 1% weakening of the functional currencies of the Group's entities against the relevant currency, there would be an equal and opposite impact on pre-tax profit.

	Impact on Profit and Loss	
Currency	**2025**	**2024**
RMB	$ 3,801	$ 2,092
EUR	309	243
USD	149	76

The above impacts are mainly attributable to exposure on outstanding receivables, payables and borrowings in currency RMB and, USD and EUR which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group's exposure to interest rate risk primarily arises from bank deposits with fixed and floating interest rates, financial assets measured at amortized cost, bank borrowings, and lease liabilities.

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

	December 31	
	2025	**2024**
Fair value interest rate risk		
Financial liabilities	$ 135,275	$ 71,704
Cash flow interest rate risk		
Financial assets	148,167	70,725
Financial liabilities	930,771	936,765

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates of non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.125% increase or decrease was used when reporting interestrate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If the interest rate changes had been 0.125% higher and all other variables remained constant, the Group's pre-tax profit for the years ended December 31, 2025 and 2024 would have decreased by $978 thousand and $1,083 thousand, respectively, which was mainly attributable to the Group's exposure to cash flow interest rate risk on its borrowings.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved periodically.

In order to minimize credit risk, the Group had set up credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt periodically to ensure that adequate allowances are made for irrecoverable amounts. In this regard, Group's believes the Group's credit risk was significantly reduced.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

As of December 31, 2025 and 2024, the Group had available unutilized bank loan facilities of $114,701 thousand and $77,140 thousand, respectively.

The Group's remaining contractual maturity for its financial liabilities with agreed repayment periods is based on the undiscounted cash flows (including both interest and principal cash flows) of financial liabilities from the earliest date on which the Group can be required to pay.

Liquid and Interest Rate Risk	Less Than 1 Year	1-2 Years	More Than 2 Years
December 31, 2025			
Non-derivative financial liabilities			
Non-interest bearing	$ 171,318	$ -	$ -
Lease liabilities	7,504	3,017	1,943
Variable interest rate liabilities	310,098	240,911	379,762
Fixed interest rate liabilities	123,315	-	-
	$ 612,235	$ 243,928	$ 381,705
December 31, 2024			
Non-derivative financial liabilities			
Non-interest bearing	$ 159,740	$ -	$ -
Lease liabilities	6,985	4,738	2,502
Variable interest rate liabilities	117,003	359,301	460,461
Fixed interest rate liabilities	58,109	-	-
	$ 341,837	$ 364,039	$ 462,963

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years
December 31, 2025				
Variable interest rate liabilities	$ 310,098	$ 389,074	$ 202,723	$ 28,876
Lease liabilities	7,504	4,960	-	-
	$ 317,602	$ 394,034	$ 202,723	$ 28,876
December 31, 2024				
Variable interest rate liabilities	$ 117,003	$ 550,402	$ 198,009	$ 71,351
Lease liabilities	6,985	7,240	-	-
	$ 123,988	$ 557,642	$ 198,009	$ 71,351

25. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of significant transactions between the Group and other related parties are disclosed below.

a. Related party name and categories

Related Party Name	Relationship with the Group
Chen Chin Hsin	Chairman
Chang Chao Kai	Director
Chen Chin Jen	Director

b. Operating transactions

	For the Year Ended December 31	
	2025	2024
Service fee		
Directors		
Other	$ 59	$ 20

c. Endorsements and guarantees

Endorsements and guarantees given by related parties

Related Party Category	December 31	
	2025	2024
Chairman and director		
Chen Chin Hsin		
Amount endorsed	$ 1,097,800	$ 1,018,410
Amount utilized (classified as short-term borrowings, short-term bills payable and long-term borrowings)	(955,711)	(924,300)
	$ 142,089	$ 94,110
Director		
Chang Chao Kai		
Amount endorsed	$ 1,134,218	$ 1,055,352
Amount utilized (classified as short-term borrowings, short-term bills payable and long-term borrowings)	(989,701)	(960,421)
	$ 144,517	$ 94,931

d. Remuneration of key management personnel

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	$ 21,188	$ 20,717
Post-employment benefits	802	580
Share-based payments	128	-
	$ 22,118	$ 21,297

26. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged or mortgaged as collateral for bank loans performance guarantee and notes discounting

	December 31	
	2025	2024
Property, plant and equipment	$ 709,192	$ 722,541
Notes receivable	64,444	39,384
Financial assets at amortized cost (pledged deposits)	35,929	14,002
	$ 809,566	$ 775,927

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments, and contingencies of the Group at December 31, 2025 and 2024 were as follows:

The Group's unrecognized commitments

	December 31, 2025	December 31, 2024
Acquisition of property, plant and equipment	$ 8,154	$ 4,388

28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies are as follows:

	December 31, 2025			December 31, 2024		
	Foreign Currency	Exchange Rate	Carrying Amount	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets						
Monetary items						
RMB	$ 87,862	4.496	$ 395,027	$ 48,377	4.478	$ 216,634
USD	475	31.43	14,916	233	32.785	7,637
EUR	837	36.9	30,897	710	34.14	24,252
Financial liabilities						
Monetary items						
RMB	3,321	4.496	14,935	1,650	4.478	7,387

The significant (unrealized) foreign exchange gain are as follows:

	For the Year Ended December 31			
	2025		2024	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain (Loss)
RMB	4.496 (RMB:NTD)	$ 13,217	4.478 (RMB:NTD)	$ 572
USD	31.43 (USD:NTD)	44	32.785 (USD:NTD)	74
EUR	36.9 (EUR:NTD)	1,598	34.14 (EUR:NTD)	(176)
		$ 14,859		$ 470

29. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (None)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities). (None)

4) Marketable securities acquired or disposed at costs or prices at least NT$300 million or 20% of the paid-in capital. (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 2)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)

9) Trading in derivative instruments. (None)

10) Other: intercompany relationships and significant intercompany transactions. (Table 4)

b. Information on investees. (Table 5)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

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

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Tables 3)

c) The amount of property transactions and the amount of the resultant gains or losses. (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes. (None)

e) The highest balance, the end of year balance, the interest rate range, and total current period interest with respect to financing of funds. (None)

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services. (None)

30. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

The Group is primarily engaged in the manufacturing and sale of metal molds, automation modules, and related components. The reportable segments based on product manufacturing and sales regions are as follows:

a. The Group is organized and managed as a single operating segment for the purpose of allocating resources and assessing performance. All operating activities are related to the research, development, manufacturing, and sales of automation modules, their components, and precision molds. Therefore, the Group is reported as a single operating segment.

b. Segment total assets and liabilities

The segment information regarding the consolidated entity’s assets and liabilities is consistent with that presented in the primary financial statements.

c. Revenue from major products and services

	For the Year Ended December 31	
	2025	**2024**
Automation modules, and related components	$ 540,859	$ 556,012
Precision molds	61,265	64,033
Others	1,107	3,127
	$ 603,231	$ 623,172

d. Geographical information

The Group operates in Asia and Europe.

The Group's revenue from continuing operations from external customers and information by location of assets are detailed below:

	For the Year Ended December 31	
	2025	**2024**
Asia	$ 529,115	$ 552,220
Europe	63,738	58,550
Others	10,378	12,402
	$ 603,231	$ 623,172

e. Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2025	**2024**
Customer A	$ 167,482	$ 142,687

GMT GLOBAL INC. AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 2 and 4)	Ending Balance (Note 3 and 4)	Actual Amount Borrowed (Note 3)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1)	Aggregate Financing Limit (Notes 1)
													Item	Value		
0	The Corporation	GMT Germany	Other receivables from related parties	Yes	$ 18,450 (EUR 500)	$ 18,450 (EUR 500)	$ 15,498 (EUR 420)	3.244%	Business Transaction	$ 23,883 (EUR 684)	—	$ -	—	$ -	$ 23,883 (EUR 684)	$ 23,883 (EUR 684)

Note 1: For counterparties with whom the Company has business dealings, the loan amount granted to any individual party shall not exceed the greater of the total transaction amount between both parties during the most recent 12-month period or the preceding fiscal year. The aggregate loan amount shall also be limited to the greater of the total transaction amount over the same periods. The term "transaction amount" refers to the higher of the purchase amount or sales amount between the two parties.

Note 2: The highest balance in thousands of New Taiwan dollars for the current year is calculated by converting the highest foreign currency balance during the year using the exchange rate applicable in the month when the highest balance occurred.

Note 3: The ending balance and actual borrowing amount were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 4: The ending balance has been approved by the board of directors.

Note 5: Significant intercompany accounts and transactions have been eliminated.

GMT GLOBAL INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)	
			Purchase/Sale	Amount (Note 2)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 2)	% to Total
The Corporation	Ding Qi	(Note 1)	Sale	$ (311,080)	(63%)	Purchase 180 days after monthly closing	$ -	—	$ 349,490	84%

Note 1: Refer to Note 10 of the consolidated financial statements.

Note 2: Significant intercompany accounts and transactions have been eliminated.

GMT GLOBAL INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance of Trade Receivables from Related Parties (Note 2)	Turnover Rate (Times)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Corporation	Ding Qi	(Note 1)	$ 349,490	1.13	$ -	-	$ 30,728	$ -

Note 1: Refer to Note 10 of the consolidated financial statements.

Note 2: Significant intercompany accounts and transactions have been eliminated.

GMT GLOBAL INC. AND SUBSIDIARIES

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

No.	Investee Company	Counterparty (Note 2)	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
0	The Corporation	GMT Germany	(Note 1)	Sales	$ 23,883	T/T 90 days	4
				Trade receivables	10,300	T/T 90 days	1
				Other receivables	15,541	-	1
		Ding Qi	(Note 1)	Sales	311,080	Purchase 180 days after monthly closing	52
				Trade receivables	349,490	Purchase 180 days after monthly closing	19
				Purchase	30,257	Purchase 180 days after monthly closing	5

Note 1: Refer to Note 10 of the consolidated financial statements.

Note 2: Significant intercompany accounts and transactions have been eliminated.

Note 3: Unrealized gains from GMT Germany and Ding Qi have been eliminated.

GMT GLOBAL INC. AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 2)	Note
				December 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount (Note 2)			
The Corporation	PROMOTE	Samoa	Investment Holding	$ 71,354	$ 71,354	2,318,888	100	$ 33,612	$ (53,495)	$ (53,495)	Subsidiary
	GMT Germany	Germany	Sale of automation modules and components	14,414	14,414	425,000	85	(3,662)	134	114	Subsidiary
	Changrui	Guangdong Province	Manufacturing and trading of machinery, equipment and related spare parts	7,249	-	1,750,000	70	7,322	(6)	(545)	Subsidiary

Note 1: For information on investments in mainland China, see Table 6.

Note 2: Significant intercompany accounts and transactions have been eliminated.

GMT GLOBAL INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 and Note 4)	Carrying Amount as of December 31, 2025 (Note 1 and Note 4)	Accumulated Repatriation of Investment Income as of December 31, 2025
					Outward	Inward						
Ding Qi	Manufacture and sale of molds. Sale of automation modules and components	$ 69,649 (USD 2,216)	Indirect investments in the Company of Mainland China through a third place	$ 71,354	$ -	$ -	$ 71,354	$ (53,495)	100	$ (53,495)	$ 52,944	$ -
Changrui.	Manufacturing and trading of machinery, equipment and related spare parts	11,240 (RMB 2,500)	Direct investment in companies in Mainland China	-	7,249	-	7,249	(6)	70	(545)	7,322	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2025	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 2)
$ 80,754 (USD 2,319) (RMB 1,750)	$ 72,886 (USD 2,319)	$ 361,247

Note 1: The investment gain and carrying amount as of December 31, 2025 are recognized according to the financial statements audited by the Corporation’s independent auditors.

Note 2: The quota is based on the review principles for investment or technology cooperation in Mainland China.

Note 3: If the figures in this table involve foreign currencies, they are converted into New Taiwan dollars at the exchange rate on the balance sheet date.

Note 4: Significant intercompany accounts and transactions have been eliminated.