

Lemtech Holdings Co., Limited
and its subsidiaries

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

Address: Suite 102, Cannon Place, P.O. Box 712, North
Sound Rd., Grand Cayman, KY1- 9 KY1- 9006
Cayman Islands

Telephone number: (+886)2-8684-1618

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Auditor's Report

To: Lemtech Holdings Co., Limited

Audit opinion

We have audited the accompanying consolidated financial statements of Lemtech Holdings Co., Limited and its subsidiaries (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 the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of 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, the 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 (FSC) of the Republic of China.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements 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, we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements for the year ended December 31, 2025 are stated as follows:

Key audit matter: Authenticity of shipments to a specific customer

The revenues of the Group include electronic components, automotive components, and connected fitness equipment. Due to their significance and the inherent risk associated with revenue recognition under auditing standards, we have identified verification of shipment authenticity to specific sales customers as a key audit matter. Please refer to Notes 4 and 25 of the consolidated financial statements for a description of the revenue recognition policy.

In addition to testing the relevant internal controls, we also perform the following key audit procedures:

1. Examine the sales revenue transactions of specific customers, verifying corresponding sales orders, credit memos, and payment status to confirm the actual occurrence of sales transactions.
2. Whether there is any significant sales return and allowance testing performed after the balance sheet date to verify the authenticity of the aforementioned transactions and the reasonableness of the returns and allowances.

Management and the governing body are responsible for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by 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 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.

Auditor's 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 assurance but is not a guarantee that an audit conducted in accordance with the Standards of 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 judgement 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, and 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 auditor's 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 disclosure, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within 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 communicated 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 identified during our audit.

We also provided those charged with governance with a statement that we complied with relevant ethical requirements regarding independence, and communicated 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 determined those matters that were of most significance in the audit of consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report as the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Kuo, Nai-Hua, CPA

Hsueh, Chun-Min, CPA

Financial Supervisory Commission
approval number

Jin-Guan-Zheng-Shen-Zi No.
1070323246

Financial Supervisory Commission approval
number

Jin-Guan-Zheng-Shen-Zi No. 1090358185

March 26, 2026

Lemtech Holdings Co., Limited and its subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

Unit: NTD Thousands

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 6 and 35)	\$ 1,395,888	15	\$ 1,915,075	23
1110	Financial assets at fair value through profit or loss – current (Notes 7 and 35)	94,436	1	-	-
1136	Financial assets at amortized cost – current (Notes 8, 9, 35 and 37)	132,006	2	26,000	-
1150	Notes receivable (Notes 10, 25 and 35)	73,534	1	113,480	1
1170	Accounts receivable (Notes 10, 25 and 35)	2,098,365	23	1,662,627	20
1200	Other receivables (Notes 10 and 35)	38,100	-	52,035	1
1220	Income tax assets (Note 27)	1,510	-	13,750	-
130X	Inventory (Note 11)	1,194,330	13	996,681	12
1410	Prepayments (Note 19)	235,098	3	116,024	2
1460	Non-current assets held for sale (Notes 12 and 37)	1,133,820	13	1,038,147	12
1470	Other current assets	26,043	-	2,610	-
11XX	Total current assets	<u>6,423,130</u>	<u>71</u>	<u>5,936,429</u>	<u>71</u>
	Non-current assets				
1535	Financial assets at amortized cost - non-current (Notes 8, 9, 35 and 37)	44,716	1	-	-
1600	Property, plant and equipment (Notes 14, 33 and 37)	1,855,319	20	1,767,026	21
1755	Right-of-use assets (Note 15)	514,316	6	394,897	5
1805	Goodwill (Note 17)	4,437	-	4,628	-
1821	Other intangible assets (Note 18)	11,522	-	12,973	-
1840	Deferred tax assets (Note 27)	73,750	1	49,114	-
1915	Prepayments for equipment (Note 19)	130,221	1	232,191	3
1920	Refundable deposits (Notes 19 and 35)	23,082	-	17,268	-
15XX	Total non-current assets	<u>2,657,363</u>	<u>29</u>	<u>2,478,097</u>	<u>29</u>
1XXX	Total assets	<u>\$ 9,080,493</u>	<u>100</u>	<u>\$ 8,414,526</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Notes 20, 35 and 37)	\$ 1,252,890	14	\$ 1,026,072	12
2130	Contract liabilities - current (Note 25)	80,005	1	93,061	1
2150	Notes payable (Note 22 and 35)	21,520	-	110,012	1
2170	Accounts payable (Notes 22 and 35)	1,434,918	16	1,147,255	14
2219	Other payables (Notes 23 and 35)	375,639	4	391,319	5
2260	Liabilities directly associated with non-current assets held for sale (Note 12)	79,063	1	-	-
2230	Income tax liabilities (Note 27)	48,807	-	50,077	1
2280	Lease liabilities - current (Notes 15, 33 and 35)	97,609	1	77,796	1
2322	Long-term borrowings - current portion (Notes 20, 35 and 37)	53,272	1	25,881	-
2399	Other current liabilities	123,318	1	86,265	1
21XX	Total current liabilities	<u>3,567,041</u>	<u>39</u>	<u>3,007,738</u>	<u>36</u>
	Non-current liabilities				
2540	Long-term borrowings (Notes 20, 35 and 37)	843,396	9	852,336	10
2570	Deferred tax liabilities (Note 27)	399,636	5	397,396	5
2580	Lease liabilities - non-current (Notes 15, 33 and 35)	343,064	4	235,014	3
2645	Guarantee deposits received (Note 35)	15,668	-	15,935	-
25XX	Total non-current liabilities	<u>1,601,764</u>	<u>18</u>	<u>1,500,681</u>	<u>18</u>
2XXX	Total liabilities	<u>5,168,805</u>	<u>57</u>	<u>4,508,419</u>	<u>54</u>
	Equity attributable to owners of the Company (Note 24)				
3110	Ordinary shares	670,931	7	621,934	7
3200	Capital surplus	1,587,132	18	1,463,061	17
	Retained earnings				
3320	Special reserve	59,066	1	59,066	1
3350	Unappropriated earnings	1,615,814	18	1,577,800	19
3300	Total retained earnings	<u>1,674,880</u>	<u>19</u>	<u>1,636,866</u>	<u>20</u>
	Other equity				
3410	Exchange difference arising from translation of the financial statements of foreign operations	82,189	1	93,456	1
3490	Other equity - other	(133,149)	(2)	-	-
3400	Other equity	(50,960)	(1)	93,456	1
31XX	Total equity of owners of the Company	<u>3,881,983</u>	<u>43</u>	<u>3,815,317</u>	<u>45</u>
36XX	Non-controlling interests	29,705	-	90,790	1
3XXX	Total equity	<u>3,911,688</u>	<u>43</u>	<u>3,906,107</u>	<u>46</u>
	Total liabilities and equity	<u>\$ 9,080,493</u>	<u>100</u>	<u>\$ 8,414,526</u>	<u>100</u>

The notes attached hereto form an integral part of the consolidated financial statements.

Chairman: Hsu, Chi-Feng;

Manager: Eu, Ricky;

Accounting Supervisor: Chien, Yi-Ling

Lemtech Holdings Co., Limited and its subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2025 and 2024

Unit: NTD thousands, except for the earnings per share in NTD

Code		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (Notes 25 and 36)	\$ 6,275,379	100	\$ 5,682,176	100
5000	Operating costs (Note 11)	(4,925,968)	(79)	(4,377,460)	(77)
5900	Gross profit	<u>1,349,411</u>	<u>21</u>	<u>1,304,716</u>	<u>23</u>
	Operating expenses (Note 26)				
6100	Sales expense	(293,586)	(5)	(230,343)	(4)
6200	Administrative expenses	(430,160)	(7)	(337,847)	(6)
6300	R&D expenses	(217,812)	(3)	(205,745)	(3)
6450	Expected credit impairment (loss) gain	(<u>4,518</u>)	<u>-</u>	<u>16,348</u>	<u>-</u>
6000	Total operating expenses	(<u>946,076</u>)	(<u>15</u>)	(<u>757,587</u>)	(<u>13</u>)
6900	Operating income	<u>403,335</u>	<u>6</u>	<u>547,129</u>	<u>10</u>
	Non-operating income and expenses (Note 26)				
7100	Interest income	35,805	1	41,308	1
7190	Other income	78,262	1	72,324	1
7020	Other gains and losses	(122,576)	(2)	(68,377)	(1)
7050	Financial costs	(88,065)	(1)	(72,853)	(2)
7060	Share of profit/loss from associates and joint ventures using the equity method.	<u>-</u>	<u>-</u>	(<u>832</u>)	<u>-</u>
7000	Total non-operating revenue and expenses	(<u>96,574</u>)	(<u>1</u>)	(<u>28,430</u>)	(<u>1</u>)
7900	Income before tax from continuing operations	306,761	5	518,699	9
7950	Income tax expense (Note 27)	(<u>93,616</u>)	(<u>2</u>)	(<u>104,517</u>)	(<u>1</u>)

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Code		2025		2024	
		Amount	%	Amount	%
8000	Current net income from continuing operations	\$ 213,145	3	\$ 414,182	8
8100	Profit (loss) of discontinued operations	(73,175)	(1)	14,963	-
8200	Net income	<u>139,970</u>	<u>2</u>	<u>429,145</u>	<u>8</u>
	Other comprehensive income (loss)				
8360	Items that may be reclassified to profit or loss subsequently:				
8361	Exchange difference arising from translation of the financial statements of foreign operations	(9,154)	-	122,288	2
8300	Other comprehensive income (loss), net of income tax	(9,154)	-	122,288	2
8500	Total comprehensive income	<u>\$ 130,816</u>	<u>2</u>	<u>\$ 551,433</u>	<u>10</u>
	Net income attributed to				
8610	Owners of the Company	\$ 128,985	2	\$ 401,977	7
8620	Non-controlling interests	10,985	-	27,168	1
8600		<u>\$ 139,970</u>	<u>2</u>	<u>\$ 429,145</u>	<u>8</u>
	Total comprehensive income (loss) attributed to				
8710	Owners of the Company	\$ 117,718	2	\$ 554,499	10
8720	Non-controlling interests	13,098	-	(3,066)	-
8700		<u>\$ 130,816</u>	<u>2</u>	<u>\$ 551,433</u>	<u>10</u>
	Earnings per share (Note 28)				
	From continuing operations				
9710	Basic	<u>\$ 1.98</u>		<u>\$ 6.16</u>	
9810	Diluted	<u>\$ 1.97</u>		<u>\$ 6.14</u>	

The notes attached hereto form an integral part of the consolidated financial statements.

Chairman: Hsu, Chi-Feng; Manager: Eu, Ricky; Accounting Supervisor: Chien, Yi-Ling

Lemtech Holdings Co., Limited and its subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2025 and 2024

Unit: NTD Thousands

		Equity attributable to the owners of the Company					Other equity						
		Share capital		Retained earnings			Exchange difference arising from translation of the financial statements of foreign operations		Unearned employee remuneration		Non-controlling interests		Total equity
Code		Number of shares (in thousands)	Amount	Capital surplus	Special reserve	Unappropriated earnings	Total	Total	Total	Total	Total	Total	
A1	Balance on January 1, 2024	62,193	\$ 621,928	\$ 1,462,967	\$ -	\$ 1,389,191	(\$ 59,066)	\$ -	\$ 3,415,020	\$ 101,774	\$ 3,516,794		
	2023 earnings allocation and distribution												
B3	Provision of special reserve	-	-	-	59,066	(59,066)	-	-	-	-	-		
B5	Cash dividends to shareholders	-	-	-	-	(154,302)	-	-	(154,302)	-	(154,302)		
I1	Conversion of convertible bonds	-	6	94	-	-	-	-	100	-	100		
M3	Disposal of subsidiaries	-	-	-	-	-	-	-	-	(7,918)	(7,918)		
D1	2024 net income	-	-	-	-	401,977	-	-	401,977	27,168	429,145		
D3	Other comprehensive income (loss) after tax for 2024	-	-	-	-	-	152,522	-	152,522	(30,234)	122,288		
D5	Total comprehensive income (loss) for 2024	-	-	-	-	401,977	152,522	-	554,499	(3,066)	551,433		
Z1	Balance as of December 31, 2024	62,193	621,934	1,463,061	59,066	1,577,800	93,456	-	3,815,317	90,790	3,906,107		
	2024 earnings allocation and distribution												
B3	Special reserve	-	-	-	-	-	-	-	-	-	-		
B5	Cash dividends to shareholders	-	-	-	-	(59,874)	-	-	(59,874)	-	(59,874)		
B9	Stock dividends to shareholders	3,110	31,097	-	-	(31,097)	-	-	-	-	-		
N1	Issuance of new restricted stock units	1,790	17,900	119,841	-	-	-	(137,741)	-	-	-		
N1	Share-based payment transactions	-	-	-	-	-	-	4,592	4,592	-	4,592		
M5	Part of the equity of subsidiaries acquired (Note 32)	-	-	4,230	-	-	-	-	4,230	(74,183)	(69,953)		
D1	2025 net income	-	-	-	-	128,985	-	-	128,985	10,985	139,970		
D3	Other comprehensive income (loss) after tax for 2025	-	-	-	-	-	(11,267)	-	(11,267)	2,113	(9,154)		
D5	Total comprehensive income (loss) for 2025	-	-	-	-	128,985	(11,267)	-	117,718	13,098	130,816		
Z1	Balance as of December 31, 2025	67,093	\$ 670,931	\$ 1,587,132	\$ 59,066	\$ 1,615,814	\$ 82,189	(\$ 133,149)	\$ 3,881,983	\$ 29,705	\$ 3,911,688		

The notes attached hereto form an integral part of the consolidated financial statements.

Chairman: Hsu, Chi-Feng;

Manager: Eu, Ricky;

Accounting Supervisor: Chien, Yi-Ling

Lemtech Holdings Co., Limited and its subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2025 and 2024

Unit: NTD Thousands

Code		2025	2024
	Cash flow from operating activities		
A00010	Income before tax from continuing operations	\$ 306,761	\$ 518,699
A00020	(Loss) income before tax of the discontinued operation	(<u>73,175</u>)	<u>15,313</u>
A10000	Income before tax	<u>233,586</u>	<u>534,012</u>
A20010	Adjustments for:		
A20100	Depreciation expense	466,468	414,642
A20200	Amortization expenses	6,228	7,867
A20300	Expected credit impairment loss (reversal gain)	4,502	(16,272)
A20400	Net gains on financial assets and liabilities at fair value through profit or loss	(1,308)	-
A20900	Financial costs	88,338	73,532
A21200	Interest income	(36,499)	(42,691)
A21900	Cost of share-based remuneration	4,592	-
A22300	Share of profit or loss of associates and joint ventures accounted for using the equity method	-	832
A22500	Loss from disposal of property, plant and equipment	17,318	2,756
A22900	Lease modification gain	(171)	-
A23000	Loss on disposal of non-current assets held for sale	305	-
A23200	Loss on disposal of investments accounted for using the equity method	-	10,538
A23700	Inventory devaluation and obsolescence losses	42,581	1,046
A23700	Impairment loss on property, plant and equipment	-	4,809
A23700	Impairment loss on non-current assets held for sale	125,591	-
A24100	Net foreign exchange loss (gain)	13,412	(9,392)
A29900	Loss on disposal of subsidiaries	-	23,116
A29900	Impairment loss on investments under the equity method	-	8,610
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	38,200	(108,369)
A31150	Accounts receivable	(463,398)	(215,578)
A31180	Other receivables	(16,204)	(76)
A31200	Inventory	(268,564)	(190,423)
A31230	Prepayment	(124,855)	(37,113)
A31240	Other current assets	(23,433)	(1,943)
A32125	Contract liabilities	(13,056)	57,512
A32130	Notes payable	(88,492)	(8,293)

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Code		2025	2024
A32150	Accounts payable	\$ 356,521	\$ 262,454
A32180	Other payables	36,099	10,750
A32230	Other current liabilities	<u>37,525</u>	<u>(2,348)</u>
A33000	Cash generated from operations	435,286	779,978
A33300	Interest paid	(74,903)	(62,693)
A33500	Income tax paid	<u>(85,517)</u>	<u>(60,410)</u>
AAAA	Net cash inflow from operating activities	<u>274,866</u>	<u>656,875</u>
	Cash flow from investing activities		
B00040	Acquisition of financial assets at amortized cost	(150,722)	-
B00050	Disposal of financial assets measured at amortized cost	-	184,147
B00100	Acquisition of financial assets at fair value through profit or loss	(93,904)	-
B01900	Net cash inflow from disposal of associates	-	27,988
B02300	Net cash inflow (outflow) from disposal of subsidiaries	28,277	(6,684)
B02700	Acquisition of property, plant and equipment	(507,249)	(466,464)
B02800	Proceeds from disposal of property, plant and equipment	18,044	16,317
B02500	Acquisition of non-current assets held for sale	(1,055)	-
B03700	Increase in refundable deposits	(5,814)	(8,443)
B04500	Acquisition of intangible assets	(4,483)	(2,570)
B07100	Increase in prepayments for equipment	-	(89,983)
B07500	Interest received	<u>36,499</u>	<u>42,691</u>
BBBB	Net cash outflow from investing activities	<u>(680,407)</u>	<u>(303,001)</u>
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	231,737	208,360
C01300	Redemption of corporate bonds	-	(18,000)
C01600	Long-term borrowings	18,451	28,217
C03000	Guarantee deposits received	-	3,199
C03100	Guarantee deposits returned	(267)	-
C04020	Repayment of lease liability principal	(105,563)	(87,313)
C04500	Payment of dividends to owners of the Company	(85,629)	(108,218)
C05400	Acquisition of subsidiary shares	<u>(69,953)</u>	<u>-</u>
CCCC	Net cash (outflow) inflow from financing activities	<u>(11,224)</u>	<u>26,245</u>
DDDD	Impact of exchange rate changes on cash and cash equivalents	<u>(52,387)</u>	<u>75,927</u>
EEEE	Net (decrease) increase in cash and cash equivalents	(469,152)	456,046
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>1,915,075</u>	<u>1,459,029</u>
E00200	Cash and cash equivalents at year-end	<u>\$ 1,445,923</u>	<u>\$ 1,915,075</u>

Reconciliation of cash and cash equivalents at the end of the period

<u>Code</u>		<u>December 31, 2025</u>	<u>December31,2024</u>
	Balance of cash and cash equivalents at the end of the period		
E00210	Cash and cash equivalents on the balance sheet	\$ 1,395,888	\$ 1,915,075
E00212	Cash and cash equivalents classified as non-current assets held for sale	<u>50,035</u>	<u>-</u>
E00200	Total closing cash and cash equivalents balance	<u>\$ 1,445,923</u>	<u>\$ 1,915,075</u>

The notes attached hereto form an integral part of the consolidated financial statements.

Chairman: Hsu, Chi-Feng; Manager: Eu, Ricky; Accounting Supervisor: Chien, Yi-Ling

Lemtech Holdings Co., Limited and its subsidiaries
Notes to The Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(Expressed in NTD thousands, unless otherwise specified)

I. History and organization

Lemtech Holdings Co., Limited (hereinafter referred to as the “Company”) was established in the Cayman Islands in September 2009, mainly for the restructuring carried out for the trading of emerging stocks on the Taipei Exchange of the Republic of China. After the restructuring, the Company became the holding company of Lemtech Global Solution Co., Ltd. (hereinafter referred to as “Global Solution”), and acquired the shares of Global Solution based on the 24.99:1 share exchange ratio. The business operated by the Company, Global Solution and its subsidiaries (hereinafter referred to as the “consolidated company”) mainly focuses on the production and design of various new electronic components, such as fine blanking molds, die casting molds, non-metallic molds, computer connectors and computer heat dissipation modules, and sales of self-produced products. The Company’s stocks have been traded publicly on the Taipei Exchange since April 29, 2011, and then on the Taiwan Stock Exchange on May 21, 2015.

The Company’s functional currency is the NTD.

II. The date of authorization for issuance of the consolidated financial statements and procedures for authorization

The consolidated financial statements were approved by the Board of Directors on March 11, 2026.

III. Application of new standards, amendments and interpretations

- (I) The first-time adoption of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the “FSC”)

The application of the amended IFRS accounting standards approved and announced by the FSC will not cause major changes to the consolidated company's accounting policies.

(II) IFRSs endorsed by the FSC that are applicable from 2026 onwards

<u>New/amended/revised standards and interpretations</u>	<u>Effective date announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to Financial Instruments: Classification and Measurement”	January 1, 2026
Amendment to IFRS 9 and IFRS 7 “Contract with Natural Power Dependence”	January 1, 2026
“IFRS Annual Improvements – Volume 11”	January 1, 2026
IFRS 17 "Insurance Contracts" (including amendments in 2020 and 2021)	January 1, 2023

As of the publication date of these consolidated financial statements, the consolidated company has assessed that revisions to other standards will not have a material impact on its financial position and financial performance.

(III) IFRSs published by IASB but yet to be approved and issued into effect by FSC

<u>New/amended/revised standards and interpretations</u>	<u>Effective date announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 – “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	Undetermined
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 Subsidiaries Without Public Accountability: Disclosure (Amendments in 2025)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless otherwise specified, all new/amended/modified standards and interpretations above shall take effect from the financial year that begins after the specified date.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will be effective for companies in Taiwan from January 1, 2028, or companies may choose to apply it earlier after IFRS 18 is endorsed by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and related amendments

IFRS 18 will replace IAS 1 – “Presentation of Financial Statements”; key changes of the standard include:

- The consolidated company shall assess whether it has specific main business activities such as investing in specific types of assets and providing financing to customers, based on which the income and expense items in the income statement

are classified into operating, investing, financing, income tax and discontinued operations categories.

- An entity has to present totals and subtotals in the statement of profit or loss for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provide guidance to strengthen aggregation and segmentation requirements: The consolidated company must identify assets, liabilities, equity, income, expenses, losses and cash flows generated from the individual transactions or other events, and classify and summarize them on the basis of common characteristics, so that each line item presented in the main financial report has at least one similar characteristic. Items with any characteristics other than similar ones should be broken down in the main financial statements and notes thereto. The consolidated company marks these items as “Other” only when a more informative mark cannot be found.
- Enhance the disclosure of performance measures defined by management: When the consolidated company is engaged in public communications outside of financial statements and communicates management’s views on a certain aspect of the consolidated company’s overall financial performance with users of financial statements, it should disclose the information about the performance measurement defined by management in the notes to the financial statements, including descriptions of the measurement, calculation method, its reconciliation with the subtotal or total expressly stated in the IFRSs, and the impact of income tax and non-controlling interests on related reconciliation items.

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

- When the consolidated company prepares the statement of cash flows from operating activities using the indirect method, operating profit or loss shall be the starting point for reconciliation.
- The interest and dividends received by the consolidated company shall be classified as investment activities, and interest and dividends paid shall be classified as financing activities. If the consolidated company is assessed to have specific main business activities, it must consider the types of dividend income, interest income, and interest expense listed in the income statement to determine the classification of receiving dividends, receiving interest, and paying interest in the statement of

cash flows. However, the above cash flows can only be classified in a single activity in the statement of cash flows.

In addition to the effects above, the consolidated company continues to evaluate how revisions of other standards and interpretations affect its financial position and business performance as of the publication date of this financial report. The outcomes of these assessments will be disclosed upon completion.

IV. Summary of material accounting policies

(I) Statement of Compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS accounting standards endorsed and issued by the Financial Supervisory Commission.

(II) Basis of preparation

This financial report has been prepared based on historical cost, except for financial instruments carried at fair value.

Fair value measurement can be rated on a level of 1 to 3 depending on the ease of observation and significance of inputs:

1. Level 1 input: Refers to quotations that can be obtained from an active market (unadjusted) on the measurement date for asset or liability of equivalent nature.
2. Level 2 input: Refers to inputs that can be observed directly (i.e. price) or indirectly (i.e. established from price) for an asset or liability, other than Level 1 quotations.
3. Level 3 input: Refers to inputs that cannot be observed for an asset or liability.

(III) Standards for classifying current and non-current assets and liabilities

Current assets:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the reporting period; and
3. Cash and cash equivalents (excluding those that are restricted for exchanging or settling liabilities more than 12 months after the balance sheet date.

Current liabilities:

1. Liabilities held primarily for trading purposes.
2. Liabilities due to be settled within 12 months after the reporting period; and
3. Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

(4) Basis for consolidation

The consolidated financial statements include the financial statements of the Company and the entities controlled by the Company (subsidiaries). The consolidated statements of comprehensive income have been included in the operating income of the acquired or disposed subsidiaries from the acquisition date to the disposition date. The financial statements of the subsidiaries have been adjusted to make their accounting policies consistent with the accounting policies of the consolidated company. In preparing the consolidated financial statements, transactions, account balances, income and expenses between the entities have been eliminated in full. The total comprehensive income of the subsidiaries is attributed to the owners of the Company and non-controlling interests, even if the non-controlling interests have a loss balance therefor.

When the change in the ownership equity on a subsidiary of the consolidated company does not result in a loss of control, it should be treated as an equity transaction. The difference between the carrying amounts of the consolidated company and non-controlling interests has been adjusted to reflect the changes in the corresponding equity in the subsidiary. The difference between the adjustment amount of the non-controlling interests and the fair value of the consideration paid or collected is recognized directly in equity and attributable to the owners of the Company.

Please refer to Note 13 and Tables 6 and 7 for details, shareholding ratios and business items of subsidiaries.

(5) Foreign currency

When preparing financial statements, entities shall record transactions denominated in currencies other than their functional currency (foreign currencies) by converting them into the functional currency at the exchange rate prevailing on the transaction date.

Monetary items denominated in foreign currencies are translated at the closing exchange rate on each balance sheet date. The exchange differences arising from the settlement of monetary items or the conversion of monetary items are recognized in profit or loss in the period in which they occur.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was

determined. The resulting exchange difference is recognized in profit or loss. For items whose changes in fair value are recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Foreign currency non-monetary items measured at historical cost are translated at the exchange rates prevailing on the transaction dates and are not re-translated.

When the consolidated financial statements are prepared, the assets and liabilities of the Company's foreign operations (including subsidiaries or associates that operate in countries or adopt the functional currencies different from the Company) are translated into New Taiwan dollar at the rates of exchange prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting currency exchange differences are recognized in other comprehensive income and attributed to the owners of the Company and non-controlling interests.

(VI) Inventories

Inventories include raw materials, work in progress, and finished goods. The value of inventories is determined based on the cost or net realizable value, whichever is lower. The comparison of the cost and net realizable value is based on individual items except for inventories of the same category. The net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The cost of inventory is calculated using the weighted average method.

(VII) Investment in associates

An associate is an entity on which the consolidated company has significant influence and is not a subsidiary or a joint venture.

The consolidated company adopts the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the consolidated company's share of the profit or loss and other comprehensive income of the associate. In addition, the consolidated company also recognizes the changes in the consolidated company's share of the equity of associates based on the percentage of ownership.

The amount of the acquisition cost in excess of the consolidated company's share of the net fair value of the identifiable assets and liabilities of an associate acquired at the date of acquisition is classified as goodwill, which is included in the carrying

amount of the investment and cannot be amortized; the amount by which the consolidated company's share of the net fair value of the identifiable assets and liabilities of the associate acquired at the acquisition date exceeds the acquisition cost is recognized in the current profit or loss.

When the consolidated company's share of losses on an associate equals or exceeds its interest in the associate (including any carrying amount of the investment accounted for using the equity method and other long-term interests that, in substance, form part of the consolidated company's net investment in the associate), the consolidated company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the consolidated company has incurred legal obligations, or constructive obligations, or made payments on behalf of said associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized only to the extent that the recoverable amount of the investment subsequently increases.

Profit or loss on upstream, downstream, or lateral transactions between the consolidated company and its associates is recognized in the consolidated financial statements only to the extent that it does not affect the consolidated company's interests in the associates.

(VIII) Property, plant and equipment

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

Property, plant and equipment under construction are recognized at cost less accumulated impairment loss. Cost includes professional service fees and loan costs that qualify for capitalization. Such assets are classified into appropriate property, plant and equipment categories upon completion and reaching the status of intended use, and the depreciation will begin.

Except for self-owned land, which is not depreciated, each significant component of the remaining property, plant and equipment is depreciated separately on a straight-line basis within their useful lives. The consolidated company conducts at least one annual review at the end of each year to assess the estimated useful life, residual value,

and depreciation methods, and applies the effect of changes in applicable accounting estimates prospectively.

When derecognizing an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in loss or profit.

(IX) Investment property

Investment property is property held to earn rental income or for capital appreciation, or both. Investment properties also include land held for a currently undetermined future use.

Self-owned investment properties are initially measured at cost (including transaction cost), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

All investment properties are depreciated on a straight-line basis.

When investment properties are derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(X) Goodwill

The cost of goodwill from business combination is the amount of goodwill recognized at the acquisition date, and is subsequently measured at cost less accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated among each cash generating unit or a group of cash generating units (referred to as “CGUs”), which is expected to benefit from the synergies of the combination.

The carrying amount and recoverable amount of the CGUs to which goodwill is allocated will be compared every year (and whenever there is an indication that the unit may be impaired) as impairment testing on the units. If the goodwill allocated to the CGUs is acquired in a business combination during the year, the CGUs shall be tested for impairment before the end of the year. If the recoverable amount of CGUs to which goodwill is allocated is lower than its carrying amount, the impairment loss is first deducted from the carrying amount of the goodwill of said CGUs. Next, the carrying amount of other assets within said CGUs is deducted from the carrying amount of the goodwill of said CGUs in proportion to the carrying amount of each asset. Any impairment loss is recognized in loss in the current year. Impairment loss of goodwill shall not be reversed subsequently.

When disposing of a certain operation within the CGUs to which goodwill is

allocated, the amount of goodwill related to the operation disposed of is included in the carrying amount of the operation to determine the gain or loss on the disposal.

(XI) Intangible assets

1. Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized using straight-line method over the useful lives. The consolidated company conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and amortization methods, while applying the effects of changes in accounting estimates prospectively.

2. Acquired through business combination

Intangible assets acquired through a business combination are recognized at fair value as of the acquisition date and separately from goodwill, and are subsequently measured in the same manner as independently acquired intangible assets.

3. Derecognition

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.

(XII) Impairment of assets related to property, plant and equipment, right-of-use assets, investment properties, intangible assets (excluding goodwill), and assets related to contract costs

The consolidated company assesses if there are any signs of possible impairment in property, plant, and equipment as well as right-of-use, investment properties, and intangible assets (excluding goodwill) at the end of each reporting period. If there is any indication of impairment, the recoverable amount of the asset shall be estimated. If it is not possible to determine the recoverable amount of an individual asset, the consolidated company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the fair value less cost of sales or its value in use, whichever is higher. If the recoverable amount of an individual asset or a CGU is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

The inventory, property, plant and equipment, and intangible assets related to customer contracts are first recognized as impairment in accordance with the inventory impairment standards and the standards above. Then, the carrying amount of the assets related to contract cost in excess of the expected amount of consideration received for the provision of the relevant goods or services less the direct relevant costs is recognized as an impairment loss. Subsequently, the carrying amount of the assets related to contract cost is included in the CGU to which they belong to perform impairment assessment of the CGU.

When the impairment loss is subsequently reversed, the carrying amount of the asset, the CGU, or the asset related to contract cost is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset, CGU, or the asset related to contract cost which was not recognized in impairment loss in prior years. The reversal of the impairment loss is recognized in profit or loss.

(XIII) Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amount is expected to be recovered primarily from their sale rather than through continued use. Non-current assets that meet this classification must be available for immediate sale in their current condition, and their sale must be highly probable. When management at an appropriate level commits to a plan to sell the asset, and the sale is expected to be completed within one year from the date of classification, it will be considered highly probable.

If control over the subsidiary will be lost at the time of sale, all assets and liabilities of the subsidiary are fully classified as held for sale, regardless of whether a non-controlling interest is retained after the sale.

Non-current assets classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell, and depreciation on these assets is no longer recognized.

(XIV) Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheet when the consolidated company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities not at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or

issuance of financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(1) Measurement types

The types of financial assets held by the consolidated company are financial assets measured at fair value through profit or loss and financial assets measured at amortized cost.

A. Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets that are either mandatorily measured at fair value through profit or loss or designated as measured at fair value through profit or loss. Financial assets that are mandatorily measured at fair value through profit or loss include equity instrument investments not designated at fair value through other comprehensive income, and debt instrument investments that do not qualify for measurement at amortized cost or fair value through other comprehensive income.

Financial assets are designated at fair value through profit or loss at initial recognition if such designation eliminates or significantly reduces measurement or recognition inconsistencies.

Financial assets measured at fair value through profit or loss are measured at fair value, and interest income and remeasurement gains or losses are recognized in other gains and losses. For the method used to determine fair value, please refer to Note 35.

B. Financial assets at amortized cost

The consolidated company's investments in financial assets are classified as financial assets at amortized cost if both of the following conditions are met:

- a. Held under a certain business model, of which the objective is to collect contractual cash flows by holding the financial assets; and

b. The cash flows on specific dates specified in the contractual terms are solely payments of the principal and interest on the principal amount outstanding.

After initial recognition, such assets (including cash and cash equivalents, notes receivable, trade receivables, other receivables measured at amortized cost, and refundable deposits) are measured at the amortized cost of the total carrying amount determined by the effective interest method less any impairment loss, and any foreign currency exchange gains or losses are recognized in profit or loss.

Except for the following two cases, interest revenue is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

- a. For purchased or originated credit-impaired financial asset, interest revenue is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.
- b. For financial asset that is not purchased or originated credit-impaired but subsequently becomes credit impaired, interest revenue is calculated by multiplying the effective interest rate from the next reporting period after the credit impairment by the amortized cost of the financial asset.

Cash equivalents include time deposits and short-term bills that are highly liquid and readily convertible into a fixed amount of cash at any time within 3 months from the date of acquisition while featuring little risk of value changes, which are used to meet short-term cash commitments

(2) Impairment of financial assets and contract assets

The consolidated company assesses impairment losses on financial assets measured at amortized cost (including accounts receivable) and finance lease receivables based on expected credit loss as of each balance sheet date.

Accounts receivable are provided for expected credit losses (ECLs) over their lifetime. Other financial assets are first assessed based on whether the credit risk has increased significantly since the initial

recognition. If there is no significant increase in the risk, a loss allowance is recognized at an amount equal to 12-month ECLs.

The ECLs refer to the weighted average credit loss with the risk of default as the weight. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the consolidated company, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

A. Internal or external information indicates that it is impossible for the debtor to settle the debt.

It is overdue for more than 90 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

The consolidated company recognizes an impairment loss for all financial assets with a corresponding downward adjustment to their carrying amount through a loss allowance account. However, the loss allowance for investment in debt instruments measured at fair value through other comprehensive income is recognized in other comprehensive income without a downward adjustment to the carrying amount.

(3) Derecognition of financial assets

The consolidated company derecognizes a financial asset when the contractual rights to the cash inflow from the financial asset expire or when it transfers the financial assets 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 consideration received is recognized in profit or loss. When derecognizing an investment in a debt instrument at fair value through other comprehensive income in its entirety, the difference between its carrying amount and the consideration received plus any cumulative gain or loss previously

recognized in other comprehensive income shall be recognized in profit or loss. When derecognizing an investment in equity instrument at fair value through other comprehensive income in its entirety, the cumulative profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method, except as follows.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are designated as financial liabilities at fair value through profit or loss.

In the following circumstances, the consolidated company designates financial liabilities as measured at fair value through profit or loss upon initial recognition:

- A. The designation can eliminate or significantly reduce inconsistencies in measurement or recognition; or
- B. A group of financial assets, financial liabilities, or both, are managed and evaluated on a fair value basis according to a written risk management or investment strategy, and information on the investment portfolio provided to management within the consolidated company is also based on fair value.
- C. Designate the hybrid contract (combination) containing one or more embedded derivatives as a whole.

Financial liabilities designated as measured at fair value through profit or loss; changes in fair value attributable to credit risk are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, but are reclassified to retained earnings only upon derecognition of the related financial liabilities. Except for interest incurred, which is recognized in finance costs, changes in the remaining fair value of the liability are reported in other gains and losses. However, if recognizing fair value changes attributable to credit risk in other comprehensive income would lead to or worsen inappropriate accounting misallocation, the total change in fair value of the liability will be reported in profit or loss.

For the method used to determine fair value, please refer to Note 35.

(2) Derecognition of financial liabilities

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

3. Convertible corporate bonds

The hybrid financial instrument (convertible corporate bond) issued by the consolidated company is classified as a financial liability and equity based on the substance of the contractual agreement and the definitions of financial liabilities and equity instruments, with the components being separately recognized as financial liabilities and equity upon initial recognition.

Upon initial recognition, the fair value of the liability components is measured at the market interest rate for a similar non-convertible instrument at that time, and subsequently measured at amortized cost using the effective interest method until conversion or maturity. The liability components that are embedded non-equity derivatives are measured at fair value.

The conversion rights classified as equity are equal to the remaining amount of the fair value of the compound instrument as a whole, less the fair value of the separately determined liability component. This amount, net of the income tax effect, is recognized in equity and is not subsequently measured. When the conversion rights are exercised, the related liability components and the amounts in equity will be reclassified to share capital and capital surplus – issuance premium. If the conversion rights of convertible corporate bonds are not exercised on the maturity date, the amount recognized in equity will be transferred to capital surplus – issuance premium.

Transaction costs related to the issuance of convertible bonds are allocated to the liability (included in the carrying amount of the liability) and equity component (included in equity) of the instrument based on the total allocation price.

4. Derivatives

The derivative entered into by the consolidated company is a structured time deposit used to manage the consolidated company's interest rate and exchange rate risk.

Derivatives are initially recognized at fair value upon entering into derivative

contracts, and are subsequently remeasured at fair value on each balance sheet date. Gains or losses arising from subsequent measurement are recognized directly in profit or loss. However, for derivatives that are designated as effective hedging instruments, the timing at which they are recognized as profit or loss depends on the underlying hedge arrangement. When the fair value of a derivative is positive, it is classified as a financial asset; when the fair value is negative, it is classified as a financial liability.

A derivative embedded in an asset master contract within the scope of IFRS 9 “Financial Instruments” is classified based on the overall contract. A derivative is considered a separate derivative if it is embedded in an asset master contract not within the scope of IFRS 9 (for example, embedded in a financial liability master contract), and the embedded derivative meets the definition of a derivative, with risks and characteristics not closely related to those of the master contract, and the hybrid contract is not measured at fair value through profit or loss.

(XV) Revenue recognition

The consolidated company identifies the performance obligations in a customer contract, allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is satisfied.

Sales revenue from products

Revenue from merchandise sales is derived from sales of electronic components, automotive components, and connected fitness equipment. Since the product is sold, the customer has the right to use the product and is exposed to the risk of loss or damage to the product. At this point, the consolidated company recognizes the revenue and accounts receivable.

(XVI) Lease

At the inception of the contract, the consolidated company assesses whether the contract is (or contains) a lease.

1. The consolidated company as lessor

Where almost all the risks and rewards attached to the ownership of an asset are transferred to the lessee in lease terms, such leases are classified as finance leases. All other leases are classified as operating leases.

When the consolidated company subleases the right-of-use assets, the right-of-use assets (not the underlying asset) are used to determine the classification

of the sublease. However, if the main lease is a short-term lease for which the consolidated company applies the recognition exemption, the sublease is classified as an operating lease.

Under a finance lease, the lease payments are fixed. The net lease investment is measured by the sum of the present value of the lease payment receivable and the unguaranteed residual value plus the initial direct cost and presented as financial lease receivable. Finance lease income is allocated to each accounting period to reflect the fixed rate of return on the consolidated company's net investment outstanding in respect of leases.

2. The consolidated company as lessee

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

The right-of-use asset is initially measured at cost (the initial amount of the lease liability), and subsequently at cost less accumulated depreciation and accumulated impairment losses, with adjustments for any remeasurement of the lease liability. The right-of-use assets are presented separately in the consolidated balance sheets.

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

Lease liabilities are initially measured at the present value of lease payments, consisting of fixed payments. If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at such an interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate applies.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is amortized over the lease term. If the lease term results in changes in future lease payments, the consolidated company remeasures the lease liabilities and adjusts the right-of-use assets accordingly. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated

balance sheets.

(XVII) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the asset's cost until the asset is substantially ready for its intended use or sale.

The investment income earned on temporarily investing the proceeds of a specific borrowing before making qualifying capital expenditures is deducted from the borrowing costs eligible for capitalization.

Except for the above, all other borrowing costs are recognized in profit or loss in the period they are incurred.

(XVIII) Government subsidies

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

Government subsidies are recognized in profit or loss when they become receivable if they are intended to compensate for expenses or losses already incurred or to provide immediate financial support to the consolidated company with no future related costs.

(19) Employee benefits

1. Short-term employee benefits

Relevant liabilities for short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

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

(XX) Share-based payment arrangement

Restricted stock units granted to employees

Restricted stock awards are recognized as an expense on a straight-line basis over the vesting period, based on the fair value of the equity instrument and the best estimate of the expected vesting amount as of the grant date, with a corresponding adjustment to other equity (unearned employee remuneration). If it is vested immediately on the grant date, the expense is fully recognized on that date.

When the consolidated company issues restricted stock units, it recognizes other comprehensive income (unearned employee remuneration) on the grant date and

simultaneously adjusts capital surplus – restricted stock awards.

The consolidated company revises the estimated number of restricted stock awards expected to vest at each balance sheet date. If the original estimate is revised, the effect is recognized in profit or loss to reflect the revised estimate in accrued expenses, with a corresponding adjustment to capital surplus – restricted stock awards.

(XXI) Income tax

Income tax expense represents the sum of current income tax and deferred income tax.

1. Current income tax

The consolidated company determines the current revenue (loss) in accordance with the laws and regulations of the jurisdiction where the income tax returns are filed and, with this as a basis, calculates the income tax payable (receivable).

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 income tax

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

Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized when it is probable that taxable income will be available to realize the deductible temporary differences or carryforward losses.

Deferred tax liabilities are recognized for taxable temporary differences related to investments in subsidiaries and associates, except when the consolidated company can control the timing of the reversal of those differences and it is probable that they will not reverse in the foreseeable future. Deductible temporary differences related to such investments are recognized as deferred income tax assets only to the extent that it is probable that sufficient taxable income will be available to realize the temporary differences, and that the temporary differences are expected to reverse in the foreseeable future.

The book value of deferred income tax assets is re-examined on each balance sheet date and adjusted downward for those that are no longer likely to have sufficient taxable income to recover all or part of the asset. The amount that was not originally recognized as a deferred income tax asset is also re-examined on each balance sheet date, and the book value is increased if it is probable that future taxable income will be generated to recover all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates in the period in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or substantively enacted at 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 consolidated company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax

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 recognized in other comprehensive income or directly in equity, respectively.

If the current income tax or deferred income tax arises from a business combination, the income tax effect is included in the accounting for the business combination.

V. Key Sources of uncertainty over significant accounting judgments, assumptions, and estimation

When the consolidated company applies accounting policies, the management is required to make judgments, estimates, and assumptions based on historical experience or other relevant factors in situations where information cannot be easily obtained from available sources. The actual outcome may differ from initial estimates.

The consolidated company takes into consideration the potential effects of climate change and related government policies, laws and regulations when making significant accounting estimates, such as cash flow, growth rate, discount rate, and profitability. Management will continue to review the estimates and basic assumptions. If a revision of an accounting estimate affects both the current and future periods, it is recognized in the period of revision and future periods.

Key Sources of Estimation and Assumption Uncertainty

Inventory impairment

The net realizable value of inventories is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. These estimates are based on current market conditions and historical sales experience in similar products. Changes in market conditions may materially affect the results of these estimates.

VI. Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and working capital	\$ 486	\$ 582
Check and current deposit	1,301,112	1,627,485
Cash equivalents (refers to investments with an initial tenor of 3 months or less)		
Time deposits	<u>94,290</u>	<u>287,008</u>
	<u>\$ 1,395,888</u>	<u>\$ 1,915,075</u>

VII. Financial instruments at fair value through profit or loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets – current</u>		
Mandatory at fair value through profit and loss		
Hybrid financial assets		
- Structured deposit (I)	<u>\$ 94,436</u>	<u>\$ -</u>

- (I) The consolidated company has executed with the bank a 6-month structured time deposit agreement. The structured time deposits include one embedded derivative that is not closely related to the main contract. Since the main contract included in the hybrid contract is an asset within the scope of IFRS 9, it is mandatorily classified as at FVTPL according to the overall hybrid contract.

VIII. Financial assets measured at amortized cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Domestic investment		
Bank deposits – restricted	\$132,006	\$ -
Time deposits with an original maturity of more than three months	<u>-</u>	<u>26,000</u>
	<u>\$132,006</u>	<u>\$ 26,000</u>
<u>Non-current</u>		
Domestic investment		
Time deposits with an original maturity of over one year.	<u>\$ 44,716</u>	<u>\$ -</u>

For the information on the pledge of financial assets measured at amortized cost, please refer to Note 37.

IX. Credit risk management of debt instrument investments

The debt instruments invested by the consolidated company are classified as financial assets measured at amortized cost:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Measured at amortized cost	Measured at amortized cost
Total carrying amount	\$ 176,722	\$ 26,000
Loss provisions	-	-
Cost after amortization	<u>\$ 176,722</u>	<u>\$ 26,000</u>

In order to mitigate credit risk, the consolidated company's management performs credit ratings to assess the default risk over the debt instrument investment institutions. The financial information to which no external rating information is made available for reference was assessed internally. The consolidated company continues to track key information about financial institutions to monitor changes in credit risk related to the debt instruments invested in and to assess whether the credit risk associated with these debt instruments has increased significantly since initial recognition.

The consolidated company considers the historical default records provided by the internal credit rating team and the current financial position of the financial institutions to measure the 12-month expected credit loss or lifetime expected credit loss of the debt instrument investment.

The consolidated company's current credit risk rating mechanism and the total book value of debt instruments of each credit rating are as follows:

<u>Credit rating</u>	<u>Definition</u>	<u>Basis for recognition of expected credit losses</u>
Normal	The debtor's credit risk is low and they have sufficient capacity to repay the contractual cash flows.	12-month expected credit losses

The total carrying amount of investments in debt instruments of each credit rating and the expected credit loss rate are as follows:

		<u>Total carrying amount</u> <u>Measured at amortized cost</u>	
<u>Credit rating</u>	<u>Expected credit loss rate</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Normal	0%	<u>\$ 176,722</u>	<u>\$ 26,000</u>

X. Notes and accounts receivable and other receivables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes receivable – arising from operations</u>		
Measured at amortized cost		
Total carrying amount	\$ 73,534	\$ 113,480
Less: loss provisions	<u>-</u>	<u>-</u>
	<u>\$ 73,534</u>	<u>\$ 113,480</u>
<u>Accounts receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 2,111,817	\$ 1,671,503
Less: loss provisions	(13,452)	(8,876)
	<u>\$ 2,098,365</u>	<u>\$ 1,662,627</u>
<u>Other receivables</u>		
Disposal of investment receivable (Note 31)	\$ -	\$ 28,277
Others	<u>38,100</u>	<u>23,758</u>
	<u>\$ 38,100</u>	<u>\$ 52,035</u>

Notes and accounts receivable

The average credit period for the consolidated company's merchandise sales is 150 days. The policy adopted by the consolidated company is intended to conduct transactions only with counterparties recognized through the Company's credit assessment and to obtain sufficient guarantees, if necessary, to mitigate the risk of financial losses due to defaults. The consolidated company will use other publicly available financial information and historical transaction records to rate its major customers. The consolidated company continues to monitor the credit risk exposures and the credit ratings of the trading counterparty, and diversifies the total transaction amount among different customers qualifying for the credit ratings. Meanwhile, the management reviews and approves the counterparty's credit limit every year to manage credit risk exposures.

The consolidated company recognizes the allowance for impairment for all accounts receivable based on expected credit losses over their duration. The expected credit loss over the duration is calculated based on the provision matrix by taking into account the past default records, the current financial position of the customer, the economic conditions of the industry, the GDP forecast, and the industrial outlook. The consolidated company classifies individual customers into different risk groups and recognizes loss provisions based on the expected loss rate of each group.

The consolidated company had no overdue notes receivable not recognized by the consolidated company at the balance sheet date, and considering that there was no

impairment according to past experience, the expected credit impairment loss rate for notes receivable was set at 0%.

If there is evidence to suggest that the counterparty is undergoing a severe financial crisis and the recoverable amount cannot be reasonably expected to be collected by the consolidated company, the consolidated company will directly offset the allowance for impairment against accounts receivable. In which case, the consolidated company will continue the collection efforts on the receivables, and any amounts recovered will be recognized through profit and loss.

The consolidated company measures the allowance for credit losses of notes and accounts receivable as follows:

December 31, 2025

	Not past due	Overdue for 1–60 days	Overdue for 61–120 days	Overdue for 121–180 days	Overdue for 181–240 days	Overdue for 241–365 days	Overdue for more than 365 days	Total
Expected credit loss rate	0%–0.20%	0%–8.16%	0%–16.58%	0%–23.90%	0%–37.22%	0%–78.73%	16.67%–100%	
Total carrying amount	\$ 1,919,462	\$ 238,580	\$ 12,958	\$ 2,966	\$ 424	\$ 1,749	\$ 9,212	\$ 2,185,351
Allowance for impairment (expected credit losses over the duration)	(912)	(1,512)	(1,126)	(292)	(12)	(1,171)	(8,427)	(13,452)
Cost after amortization	\$ 1,918,550	\$ 237,068	\$ 11,832	\$ 2,674	\$ 412	\$ 578	\$ 785	\$ 2,171,899

December 31, 2024

	Not past due	Overdue for 1–60 days	Overdue for 61–120 days	Overdue for 121–180 days	Overdue for 181–240 days	Overdue for 241–365 days	Overdue for more than 365 days	Total
Expected credit loss rate	0%–5.01%	0%–1.13%	0%–20%	0%–14.29%	0%–18.63%	0%–76.82%	25%–100%	
Total carrying amount	\$ 1,617,691	\$ 124,486	\$ 19,376	\$ 12,584	\$ 664	\$ 1,578	\$ 8,604	\$ 1,784,983
Allowance for impairment (expected credit losses over the duration)	(52)	(99)	(123)	(1,003)	(115)	(468)	(7,016)	(8,876)
Cost after amortization	\$ 1,617,639	\$ 124,387	\$ 19,253	\$ 11,581	\$ 549	\$ 1,110	\$ 1,588	\$ 1,776,107

The changes in the allowance for impairment of accounts receivable are as follows:

	2025	2024
Balance at the beginning of the year	\$ 8,876	\$ 24,493
Add: Impairment loss recognized for the year	4,502	
Less: Reversal of impairment loss for the year	-	(16,272)
Foreign currency exchange difference	74	655
Balance at the end of the year	<u>\$ 13,452</u>	<u>\$ 8,876</u>

XI. Inventory

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Finished goods	\$ 404,304	\$ 361,515
Work-in-progress	374,908	375,573
Raw materials	415,118	259,593
	<u>\$ 1,194,330</u>	<u>\$ 996,681</u>

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

	<u>2025</u>	<u>2024</u>
Cost of inventory sold	\$ 4,958,477	\$ 4,412,051
Inventory valuation loss	42,581	1,046
Less: discontinued operations	(75,090)	(35,637)
	<u>\$ 4,925,968</u>	<u>\$ 4,377,460</u>

XXII. Non-current assets held for sale and disposal groups classified as held for sale

(I) Non-current assets held for sale and disposal groups

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Buildings and land held for sale (1)(3)	\$ 58,600	\$ 57,850
Investment property held for sale (1)(3)	980,297	980,297
Assets related to the disposal group held for sale (2)	<u>94,923</u>	<u>-</u>
	<u>\$ 1,133,820</u>	<u>\$ 1,038,147</u>
Liabilities directly associated with the disposal group held for sale	<u>\$ 79,063</u>	<u>\$ -</u>

The details of the relevant assets and liabilities of the disposal group to be sold are as follows:

	<u>December 31, 2025</u>
Cash and cash equivalents	\$ 50,035
Notes receivable	1,746
Accounts receivable	23,084
Other receivables	1,862
Inventory	10,052
Prepayment	5,382
Prepayment for equipment purchase	1,860
Other intangible assets	902
Total amount of assets for sale	<u>\$ 94,923</u>
Short-term loan	\$ 4,919
Accounts payable	68,858
Other payables	4,814
Other current liabilities	<u>472</u>

Liabilities directly associated with the disposal group held for sale \$ 79,063

- (1) In order to integrate resources and activate assets, the consolidated company's Board of Directors approved the resolution on December 19, 2024 to authorize the Chairman to dispose of the land and buildings in Zhongli District, Taoyuan City, and reclassify the plant and land as non-current assets held for sale. Meanwhile, there should be no impairment loss to be recognized. There was no impairment in 2025 either. The consolidated company entered into a sale and purchase agreement on October 20, 2025. As of December 31, 2025, the transfer of ownership has not yet been completed.
- (2) On December 18, 2025, the consolidated company's Board of Directors resolved to dispose of the equity of its subsidiary, Lemtech Electronics Technology (Changshu) Co., Ltd., and the disposal procedure is expected to be completed within the next 12 months. The group to be disposed of is measured at estimated fair value less costs to sell, and the difference between its carrying amount and the fair value of its net assets is recognized as an impairment loss of NT\$125,591 thousand, which is included in other losses.
- (3) For the non-current assets held for sale pledged as collateral for loans, please refer to Note 37.

(II) Discontinued operations

Since the transaction referred to above (2) has complied with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the assets to be disposed of are reclassified as non-current assets held for sale.

Details on profit/loss and cash flow of the discontinued operations are as follows:

	<u>2025</u>	<u>2024</u>
Operating revenue	\$ 47,146	\$ 117,535
Operating cost	(<u>75,090</u>)	(<u>35,637</u>)
Gross (loss) profit	(27,944)	81,898
Sales expense	(6,581)	(9,770)
Administrative expenses	(16,553)	(35,616)
R&D expenses	(20,285)	(23,481)
Expected credit impairment gain (loss)	<u>16</u>	(<u>76</u>)
Operating (loss) income	(71,347)	12,955
Interest income	694	1,383
Other income	965	774
Other gains and losses	(3,214)	880
Financial costs	(<u>273</u>)	(<u>679</u>)
(Loss) income before tax	(73,175)	15,313

Income tax expense	-	(350)
Profit (loss) of discontinued operations	(\$ 73,175)	\$ 14,963

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash flow		
Operating activities	(\$ 60,733)	\$ 44,998
Investing activities	(8,380)	(26,763)
Financing activities	(5,274)	(10,565)
Impact of exchange rate changes on cash and cash equivalents	(2,644)	1,414
Net cash (outflow) inflow	(\$ 77,031)	\$ 9,084

XIII. Subsidiaries

Subsidiaries included in the consolidated financial statements

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

Name of the investor	Name of the subsidiary	Business nature	Percentage of ownership held		Description
			December 31, 2025	December 31, 2024	
Lemtech Holdings Co., Limited	Lemtech Global Solution Co. Ltd. (hereinafter referred to as "Global Solution")	Investment holding company	100	100	All shares were acquired by way of stock swap on November 23, 2009.
Lemtech Holdings Co., Limited	Lemtech Precision Material (China) Co., Ltd (hereinafter referred to as Lemtech Precision Material)	Production and design of various new electronic components, such as fine blanking molds, die casting molds, non-metallic molds, computer connectors and computer heat dissipation modules, and sales of self-produced products.	0.19	0.19	Merged and acquired Kunshan LDC Precision Machinery Co., Ltd. on March 17, 2010.
Lemtech Holdings Co., Limited	Zhenjiang Emtron Surface Treatment Limited Company (hereinafter referred to as Emtron Company)	Surface Finishing and Processing of Machinery, Electronics, and Automobile Components	-	-	Acquired on January 22, 2019 (Note 3)
Lemtech Holdings Co., Limited	LemTech Global Industries Ltd. (hereinafter referred to as LemTech Global Industries)	Electric appliances, audiovisual electronic products, other electrical machinery and equipment, automotive parts and components, other optical and precision machinery manufacturing and wholesale	100	100	Established on May 13, 2021
Lemtech Holdings Co., Limited	Lemtech Industrial Services Ltd(hereinafter referred to as "LIS")	Sales of electronic and computer peripheral parts	90	57	(Note 5)
Lemtech Holdings Co., Limited	Lemtech International Limited(hereinafter referred to as LIL)	Electronic and computer peripheral parts	100	100	Established on June 12, 2019, with the capital remitted inward on August 22, 2019.
Lemtech Holdings Co., Limited	Lemtech-Eahwa Precision Technology Co., Ltd. (hereinafter referred to as Lemtech-Eahwa Precision)	Machinery Equipment Manufacturing, Other Machinery Manufacturing, Electronic Parts and Components Manufacturing	-	-	Established on March 24, 2022. (Note 1)

(Continued)

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Name of the investor	Name of the subsidiary	Business nature	Percentage of ownership held		Description
			December 31, 2025	December 31, 2024	
Global Solution	Lemtech Precision Material (China) Co., Ltd (hereinafter referred to as Lemtech Precision Material)	Production and design of various new electronic components, such as fine blanking molds, die casting molds, non-metallic molds, computer connectors and computer heat dissipation modules, and sales of self-produced products.	99.81	99.81	Merged and acquired Kunshan LDC Precision Machinery Co., Ltd. on March 17, 2010.
Global Solution	Lemtech Mexico, S.A. DE C.V. (hereinafter referred to as Lemtech Mexico)	Manufacturing of automotive parts and components; mold manufacturing; construction metal parts manufacturing; mobile terminal equipment manufacturing; communication equipment manufacturing; computer software and hardware and peripheral equipment manufacturing; electronic component manufacturing; mechanical parts and components sales; mold sales; electronic component retail; construction metal parts sales	48.16	48.16	Established in January 2023, with the capital remitted inward on February 15, 2023. (Note 4)
Global Solution	Zhenjiang Emtron Surface Treatment Limited Company (hereinafter referred to as Emtron Company)	Surface Finishing and Processing of Machinery, Electronics, and Automobile Components	-	-	(Note 3)
LIL	Lemtech Energy Solutions Corporation (Taiwan) (hereinafter referred to as Lemtech Energy Solutions Corporation)	Machinery equipment, mold, electric appliances and audiovisual electronic products, other electrical machinery and equipment, automobile and parts, other optical and precision equipment manufacturing and wholesale	100	100	Acquired on July 1, 2019
LIL	Lemtech Electronics Technology (Changshu) Co., Ltd. (hereinafter referred to as Lemtech Electronics Technology (Changshu))	Manufacturing of electronic components, wholesale of electronic components, manufacturing of special-purpose electronic materials, sales of special-purpose electronic materials, research and development of electronic materials, manufacturing of lighting fixtures, sales of lighting fixtures, manufacturing of automotive parts and components, manufacturing of solar energy equipment and components, sales of solar energy equipment and components, manufacturing of computer hardware and software equipment, and sales of communication equipment	100	100	Established on September 24, 2020, with the capital remitted inward on October 26, 2020. (Note 6)
LIL	Lemtech Mexico, S.A. DE C.V. (hereinafter referred to as Lemtech Mexico)	Manufacturing of automotive parts and components; mold manufacturing; construction metal parts manufacturing; mobile terminal equipment manufacturing; communication equipment manufacturing; computer software and hardware and peripheral equipment manufacturing; electronic component manufacturing; mechanical parts and components sales; mold sales; electronic component retail; construction metal parts sales	-	-	Established in January 2023, with the capital remitted inward on February 15, 2023. (Note 4)

(Continued)

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Name of the investor	Name of the subsidiary	Business nature	Percentage of ownership held		Description
			December 31, 2025	December 31, 2024	
LIL	Lemtech Technology Malaysia Sdn. Bhd. (hereinafter referred to as "Lemtech Malaysia")	Electric appliances, audiovisual electronic products, other electrical machinery and equipment, other optical and precision machinery manufacturing and wholesale	50	50	Established on July 16, 2024, with the capital remitted inward on October 11, 2024.
Lemtech Precision Material	LDC Precision Engineering Co., Ltd. (hereinafter referred to as LDC Company)	Electric appliances, audiovisual electronic products, other electrical machinery and equipment, automotive parts and components, other optical and precision machinery manufacturing and wholesale	100	100	Established on May 10, 2010
Lemtech Precision Material	Lemtech Technology Limited (hereinafter referred to as "Lemtech HK")	Electronic and computer peripheral parts	100	100	Established on April 9, 2014
Lemtech Precision Material	Lemtech Precision Material (CZECH) s.r. o. (hereinafter referred to as "Lemtech CZ")	Production of automotive parts (tires, brakes, safety belts and safety air cylinders, etc.) and assembly (transmission shafts, etc.), consumer electronics parts and components, and supply of server products.	100	100	Operation started on January 1, 2017.
Lemtech Precision Material	Lemtech Precision Engineering (Tianjin) Co., Ltd. (hereinafter referred to as Lemtech Tianjin)	Manufacturing of automotive parts and components; mold manufacturing; construction metal parts manufacturing; mobile terminal equipment manufacturing; communication equipment manufacturing; computer software and hardware and peripheral equipment manufacturing; electronic component manufacturing; mechanical parts and components sales; mold sales; electronic component retail; construction metal parts sales	100	100	Established on February 11, 2022, with the capital remitted inward on May 19, 2022. (Note 2)
Lemtech Precision Material	Lemtech Precision Material (Huizhou) Co., Ltd. (hereinafter referred to as Lemtech Huizhou)	Manufacturing of automotive parts and components; mold manufacturing; construction metal parts manufacturing; mobile terminal equipment manufacturing; communication equipment manufacturing; computer software and hardware and peripheral equipment manufacturing; electronic component manufacturing; mechanical parts and components sales; mold sales; electronic component retail; construction metal parts sales	100	100	Established on December 4, 2023, with the capital remitted inward on January 15, 2024.
Lemtech HK	Lemtech USA Inc. (hereinafter referred to as "Lemtech USA")	Business development, collection of business information, market intelligence and industry information in the USA	100	100	Established on May 31, 2013

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Name of the investor	Name of the subsidiary	Business nature	Percentage of ownership held		Description
			December 31, 2025	December 31, 2024	
Lemtech HK	Lemtech Mexico, S.A. DE C.V. (hereinafter referred to as Lemtech Mexico)	Manufacturing of automotive parts and components; mold manufacturing; construction metal parts manufacturing; mobile terminal equipment manufacturing; communication equipment manufacturing; computer software and hardware and peripheral equipment manufacturing; electronic component manufacturing; mechanical parts and components sales; mold sales; electronic component retail; construction metal parts sales	51.84	51.84	Established in January 2023, with the capital remitted inward on February 15, 2023. (Note 4)
Lemtech HK	Lemtech Precision material (Thailand) Co.,Ltd (hereinafter referred to as "Lemtech Thailand")	Manufacturing of automotive parts and components; mold manufacturing; construction metal parts manufacturing; mobile terminal equipment manufacturing; communication equipment manufacturing; computer software and hardware and peripheral equipment manufacturing; electronic component manufacturing; mechanical parts and components sales; mold sales; electronic component retail; construction metal parts sales	100	100	Established on September 3, 2024, with the capital remitted inward on October 15, 2024.
LIS	Kunshan Lemtech Slide Technology Co., Ltd. (hereinafter referred to as Lemtech Slide Company)	Design and production of sliding rails, gearboxes and related components, and sales of self-produced products	100	100	Established on July 21, 2016
LemTech Global Industries	Lemtech Techonology Malaysia Sdn. Bhd. (hereinafter referred to as "Lemtech Malaysia")	Electric appliances, audiovisual electronic products, other electrical machinery and equipment, other optical and precision machinery manufacturing and wholesale	50	50	Established on July 16, 2024, with the capital remitted inward on October 15, 2024 and December 16, 2024.

Note:

1. The consolidated company's shareholders' meeting on October 28, 2024 resolved to liquidate Lemtech-Eahwa Precision, and the deregistration thereof was completed on November 14, 2024.
2. In January 2024, due to the failure of Lemtech Precision Material and Global Solution to subscribe for the shares of Lemtech Tianjin in proportion to their shareholding for the cash capital increase, the consolidated company's shareholding in the two companies increased from 49% to 61.75% and decreased from 51% to 38.25%, respectively. In April 2024, the consolidated company acquired the whole equity of Global Solution through Lemtech Precision Material and thereby resulted in an increase in shareholding from 61.75% to 100% and a decrease in shareholding

from 38.25% to 0%. In April 2024, the consolidated company acquired the whole equity of Global Solution through Lemtech Precision Material and thereby resulted in an increase in shareholding from 61.75% to 100% and a decrease in shareholding from 38.25% to 0%.

3. In April 2024, due to the failure of Lemtech Holdings Co., Limited and Global Solution to subscribe for the shares of Emtron Company in proportion to their shareholdings for the cash capital increase, the consolidated company's shareholding in the two companies decreased from 100% to 25.56% and increased from 0% to 74.44%, respectively. Meanwhile, in December 2024, the consolidated company sold 100% of the shares of Emtron Company for a total price of NT\$28,277 thousand. Please refer to Note 31.
4. In November 2024, LIL sold all its equity in Lemtech Mexico to Lemtech HK, resulting in a decrease in shareholding from 0.4% to 0%. Meanwhile, in November 2024, due to the failure of Lemtech HK and Global Solution to subscribe for the shares of Lemtech Mexico in proportion to their shareholding for the cash capital increase, the consolidated company's shareholding in the two companies increased from 0% to 51.84% and decreased from 99.96% to 48.16%, respectively.
5. The consolidated company acquired 33% of the non-controlling interests of LIS on March 4, 2025 and thereby resulted in an increase in the shareholding from 57% to 90%. Please refer to Note 32.
6. In the fourth quarter of 2025, Lemtech Electronics Technology (Changshu) was reclassified as a disposal group held for sale, and liabilities directly related to the disposal group held for sale were also reclassified. Please refer to Note 12.

XIV. Property, plant and equipment

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Self-use	<u>\$ 1,855,319</u>	<u>\$ 1,767,026</u>

Self-use

	Land	Houses and buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvement	Other equipment	Construction in progress and equipment under installation	Total
<u>Cost</u>									
Balance on January 1, 2025	\$ -	\$ 726,273	\$ 2,012,057	\$ 26,802	\$ 56,666	\$ 132,116	\$ 638,987	\$ 25,008	\$ 3,617,909
Increase	-	5,684	287,239	567	10,460	72,042	121,231	59,214	556,437
Disposals	-	-	(34,061)	(2,080)	(1,549)	(12,952)	(22,766)	(8,965)	(82,373)
Reclassified as held for sale	-	-	(133,201)	(3,514)	(3,184)	(36,199)	(3,804)	-	(179,902)
Reclassification	-	2,049	86,357	-	112	12,408	(16,800)	(67,027)	17,099
Exchange rate effects	-	(8,128)	33,500	(543)	173	5,374	(9,318)	(863)	20,195
Balance as of December 31, 2025	\$ -	\$ 725,878	\$ 2,251,891	\$ 21,232	\$ 62,678	\$ 172,789	\$ 707,530	\$ 7,367	\$ 3,949,365
<u>Accumulated depreciation and impairment</u>									
Balance on January 1, 2025	\$ -	\$ 208,593	\$ 1,035,339	\$ 18,670	\$ 42,500	\$ 43,235	\$ 502,546	\$ -	\$ 1,850,883
Depreciation expense	-	35,141	185,927	2,277	6,341	25,431	117,342	-	372,459
Disposals	-	-	(14,965)	(2,002)	(1,509)	(6,077)	(22,458)	-	(47,011)
Reclassified as held for sale	-	-	(49,006)	(2,833)	(2,324)	(17,955)	(2,808)	-	(74,926)
Reclassification	-	(626)	-	-	1	23	(6,477)	-	(7,079)
Exchange rate effects	-	(2,985)	7,193	(319)	96	2,672	(6,937)	-	(280)
Balance as of December 31, 2025	\$ -	\$ 240,123	\$ 1,164,488	\$ 15,793	\$ 45,105	\$ 47,329	\$ 581,208	\$ -	\$ 2,094,046
Net value as of December 31, 2025	\$ -	\$ 485,755	\$ 1,087,403	\$ 5,439	\$ 17,573	\$ 125,460	\$ 126,322	\$ 7,367	\$ 1,855,319
<u>Cost</u>									
Balance on January 1, 2024	\$ 41,716	\$ 481,152	\$ 1,707,936	\$ 29,384	\$ 49,109	\$ 97,402	\$ 493,219	\$ 178,888	\$ 3,078,806
Increase	-	84,679	224,353	3,336	9,256	30,158	135,227	24,801	511,810
Disposals	-	(6,577)	(40,678)	(4,704)	(2,778)	(6,716)	(2,940)	-	(64,393)
Decrease in business divestitures	-	(151)	(43,783)	(3,054)	(841)	-	(7,282)	-	(55,111)
Reclassified as held for sale	(41,716)	(17,914)	-	-	-	-	-	-	(59,630)
Reclassification	-	161,449	100,739	351	-	8,510	(4,618)	(182,941)	83,490
Exchange rate effects	-	23,635	63,490	1,489	1,920	2,762	25,381	4,260	122,937
Balance as of December 31, 2024	\$ -	\$ 726,273	\$ 2,012,057	\$ 26,802	\$ 56,666	\$ 132,116	\$ 638,987	\$ 25,008	\$ 3,617,909
<u>Accumulated depreciation and impairment</u>									
Balance on January 1, 2024	\$ -	\$ 178,274	\$ 881,814	\$ 22,572	\$ 39,239	\$ 31,847	\$ 382,102	\$ -	\$ 1,535,848
Recognized impairment loss	-	26	3,940	345	128	-	370	-	4,809
Depreciation expense	-	28,819	162,484	2,416	4,688	17,343	110,250	-	326,000
Disposals	-	(5,855)	(22,860)	(4,593)	(2,673)	(6,716)	(2,623)	-	(45,320)
Decrease in business divestitures	-	(157)	(29,377)	(3,528)	(444)	-	(2,804)	-	(36,310)
Reclassified as held for sale	-	(1,780)	-	-	-	-	-	-	(1,780)
Reclassification	-	-	-	351	-	-	(4,575)	-	(4,224)
Exchange rate effects	-	9,266	39,338	1,107	1,562	761	19,826	-	71,860
Balance as of December 31, 2024	\$ -	\$ 208,593	\$ 1,035,339	\$ 18,670	\$ 42,500	\$ 43,235	\$ 502,546	\$ -	\$ 1,850,883
Net amount as of December 31, 2024	\$ -	\$ 517,680	\$ 976,718	\$ 8,132	\$ 14,166	\$ 88,881	\$ 136,441	\$ 25,008	\$ 1,767,026

Part of the equipment of the consolidated company's subsidiary, Zhenjiang Emtron Surface Treatment Limited Company was recognized as an impairment loss of NT\$4,809 thousand in 2024 due to its lower recoverable amount than its book value as a result of being idle. The impairment loss is included in other gains and losses in the consolidated statement of comprehensive income.

Depreciation expenses are provided on a straight-line basis over the number of useful years shown as follows:

Houses and buildings	
Main structure of the plant	20 years
Other engineering projects	5 years
Machinery and equipment	3 to 10 years
Office equipment	2 to 5 years
Transportation equipment	3 to 5 years
Leasehold improvement	3 to 15 years
Other equipment	2 to 10 years

For the amount of property, plant and equipment pledged as collateral for loans, please refer to Note 37.

XV. Lease agreement

(I) Right-of-use assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of right-of-use assets		
Land	\$ 74,701	\$ 78,487
Buildings	436,408	311,739
Transportation equipment	<u>3,207</u>	<u>4,671</u>
	<u>\$ 514,316</u>	<u>\$ 394,897</u>
	<u>2025</u>	<u>2024</u>
Additional right-of-use assets	<u>\$ 207,494</u>	<u>\$ 153,374</u>
Depreciation expense on right-of-use assets		
Land	\$ 2,193	\$ 2,273
Buildings	88,775	74,427
Transportation equipment	3,041	3,787
Less: Discontinued operations (Note 12)	<u>(8,765)</u>	<u>(9,086)</u>
	<u>\$ 85,244</u>	<u>\$ 71,401</u>

Other than the abovementioned additions and recognition of depreciation expenses, the right-of-use assets of the consolidated company did not experience impairment in 2025 and 2024.

The right-of-use assets include the prepaid rent for the long-term land lease in China. The consolidated company has obtained the certificate of the right-of-use of the land.

(II) Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of lease liabilities		
Current	<u>\$ 97,609</u>	<u>\$ 77,796</u>
Non-current	<u>\$ 343,064</u>	<u>\$ 235,014</u>

The discount rate range for lease liabilities is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Buildings	1.19%~5.75%	1.19%~5.75%
Transportation equipment	0.85%~3.18%	0.85%~3.18%

(III) Major lease activities and terms

The consolidated company leases certain land, buildings and transportation equipment for plant, office and employee use for 1 to 50 years. The Company is not entitled to any privilege to purchase leased land and buildings at the end of the lease.

(IV) Other lease information

	<u>2025</u>	<u>2024</u>
Low-value assets and short-term lease expenses	<u>\$ 14,508</u>	<u>\$ 17,763</u>
Total cash outflow from lease	<u>\$ 120,071</u>	<u>\$ 105,076</u>

The consolidated company has opted to apply the recognition exemption for certain assets qualifying as short-term leases, and does not recognize related right-of-use assets and lease liabilities for those leases.

XVI. Investment property

	<u>Land</u>	<u>Houses and buildings</u>	<u>Total</u>
<u>Cost</u>			
Balance on January 1, 2024	\$ 757,398	\$ 244,646	\$ 1,002,044
Reclassified as held for sale (Note 12)	(757,398)	(244,646)	(1,002,044)
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Accumulated depreciation and impairment</u>			
Balance on January 1, 2024	\$ -	\$ 13,592	\$ 13,592
Depreciation expense	-	8,155	8,155
Reclassified as held for sale (Note 12)	-	(21,747)	(21,747)
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net amount as of December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The lease period for the investment property leased ranges from 2 to 4 years. The lessees are not entitled to any privileges to purchase the leased properties at the end of the lease period.

Depreciation expenses are provided on investment property on a straight-line basis over the number of useful years shown as follows:

	Houses and buildings	30 years
<u>XVII. Goodwill</u>		
	<u>2025</u>	<u>2024</u>
<u>Cost</u>		
Balance at the beginning of the year	\$ 4,628	\$ 82,490
Disposal of subsidiaries (Note 31)	-	(78,155)
Net exchange difference	(191)	293
Balance at the end of the year	<u>\$ 4,437</u>	<u>\$ 4,628</u>
<u>Accumulated impairment loss</u>		
Balance at the beginning of the year	\$ -	\$ 78,155
Disposal of subsidiaries (Note 31)	-	(78,155)
Balance at the end of the year	<u>\$ -</u>	<u>\$ -</u>
Net amount at the end of the year	<u>\$ 4,437</u>	<u>\$ 4,628</u>

The consolidated company acquired Lemtech Energy Solutions Corporation on July 1, 2019 and thereby generated the goodwill, NT\$4,585 thousand, mainly derived from the expected effects posed by the production of server dissipation products and sales in the territories of Taiwan.

XVIII. Other intangible assets

	<u>Computer software cost</u>	<u>Fair value of the franchise and customer relationship</u>	<u>Total</u>
<u>Cost</u>			
Balance on January 1, 2025	\$ 62,756	\$ -	\$ 62,756
Acquired separately	4,483	-	4,483
Disposals	(2,851)	-	(2,851)
Reclassified as held for sale	(4,209)	-	(4,209)
Reclassification	1,176	-	1,176
Net exchange difference	(526)	-	(526)
Balance as of December 31, 2025	<u>\$ 60,829</u>	<u>\$ -</u>	<u>\$ 60,829</u>

(Continued)

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	Computer software cost	Fair value of the franchise and customer relationship	Total
<u>Accumulated amortization and impairment</u>			
Balance on January 1, 2025	(\$ 49,783)	\$ -	(\$ 49,783)
Amortization expenses	(6,228)	-	(6,228)
Disposals	2,851		2,851
Reclassified as held for sale	3,307	-	3,307
Net exchange difference	<u>546</u>	<u>-</u>	<u>546</u>
Balance as of December 31, 2025	(<u>\$ 49,307</u>)	<u>\$ -</u>	(<u>\$ 49,307</u>)
Net value as of December 31, 2025	<u>\$ 11,522</u>	<u>\$ -</u>	<u>\$ 11,522</u>
<u>Cost</u>			
Balance on January 1, 2024	\$ 60,095	\$ 26,811	\$ 86,906
Acquired separately	2,570	-	2,570
Disposals	(1,138)	-	(1,138)
Decrease in business divestitures	(1,266)	(26,811)	(28,077)
Net exchange difference	<u>2,495</u>	<u>-</u>	<u>2,495</u>
Balance as of December 31, 2024	<u>\$ 62,756</u>	<u>\$ -</u>	<u>\$ 62,756</u>
<u>Accumulated amortization and impairment</u>			
Balance on January 1, 2024	(\$ 43,173)	(\$ 25,954)	(\$ 69,127)
Amortization expenses	(7,010)	(857)	(7,867)
Disposals	1,138	-	1,138
Decrease in business divestitures	1,266	26,811	28,077
Net exchange difference	<u>(2,004)</u>	<u>-</u>	<u>(2,004)</u>
Balance as of December 31, 2024	(<u>\$ 49,783</u>)	<u>\$ -</u>	(<u>\$ 49,783</u>)
Net amount as of December 31, 2024	<u>\$ 12,973</u>	<u>\$ -</u>	<u>\$ 12,973</u>

Except for the amortization expenses recognized, no other significant additions, disposals, or impairments of the consolidated company's other intangible assets occurred in 2025 and 2024.

Amortization expenses are provided on a straight-line basis over the number of useful years shown as follows:

Computer software	1 to 10 years
Fair value of the franchise and customer relationship	5 years

XIX. Other assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Prepayment		
Prepayment for purchases	\$ 69,508	\$ 23,743
Input tax/tax overpaid for offsetting the future tax	125,989	57,713
Other prepayments	<u>39,601</u>	<u>34,568</u>
	<u>\$ 235,098</u>	<u>\$ 116,024</u>
<u>Non-current</u>		
Prepayment for equipment	\$ 130,221	\$ 232,191
Refundable deposits	<u>23,082</u>	<u>17,268</u>
	<u>\$ 153,303</u>	<u>\$ 249,459</u>

XX. Loan

(I) Short-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured loans</u> (Note 37)		
Bank loans (1)	\$ 125,720	\$ -
<u>Unsecured loans</u>		
Credit facility borrowings (1)	<u>1,127,170</u>	<u>1,026,072</u>
	<u>\$ 1,252,890</u>	<u>\$ 1,026,072</u>

(1) The interest rates on bank working capital loans ranged from 2.15% to 6.19% and 2.34% to 5.80% as of December 31, 2025 and 2024, respectively.

(II) Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Unsecured loans</u>		
Credit facility borrowings (1)	\$ 72,168	\$ 28,217
<u>Secured borrowings</u>		
Bank loans (2)	824,500	850,000
Less: Current portion	(53,272)	(25,881)
Long-term borrowings	<u>\$ 843,396</u>	<u>\$ 852,336</u>

- (1) The principal of the bank loan shall be repaid over four years, and the final maturity date is October 30, 2030. As of December 31, 2025 and 2024, the effective annual interest rates were both 3.55%.
- (2) The bank borrowings are secured by the consolidated company's own land and buildings (refer to Note 37). The maturity date of the borrowings is October 30, 2030. As of December 31, 2025 and 2024, the effective annual interest rates were 2.38% and 2.37%, respectively.

XXI. Corporate bonds payable

<u>December 31, 2025</u>	<u>December 31, 2024</u>
\$ _____ -	\$ _____ -

Domestic 4th unsecured convertible corporate bonds

On October 18, 2021, the Company issued the NTD-denominated unsecured convertible corporate bonds totaling 16 thousand units, with each unit at the par value of NT\$100 thousand and the interest rate of 0% in Taiwan. The total par value of the bonds was NT\$1,600,000 thousand and the bonds were issued at 100.5% of the par value. The total amount of the bonds was NT\$1,608,000 thousand.

- (I) Each corporate bondholder is entitled to convert the corporate bond held into the Company's ordinary shares at any time during the conversion period from January 27, 2022 to October 26, 2024.
- (II) If the corporate bonds are not converted then, the outstanding corporate bonds will be recovered in cash on October 26, 2024 at the par value of the corporate bonds.
- (III) The bondholders may exercise their put option to buy back the bonds at the face value thereof from the Company upon expiration of two years from the date of offering (October 26, 2023).

The convertible corporate bonds consist of the elements, such as assets, liabilities, and equity. The equity is expressed in capital surplus-stock option under the equity. The effective interest rate of the liabilities recognized initially is 1.26%.

Issuance price (less the transaction cost, NT\$5,695 thousand)	\$ 1,602,305
Equity (less the transaction costs amortized to equity, NT\$211 thousand)	(59,309)
Financial liabilities	(2,408)
Liabilities at the date of issuance (excluding the transaction cost amortized to the liabilities, NT\$5,492)	<u>\$ 1,540,588</u>
Liabilities on January 1, 2024	\$ 17,913
Interest calculated at the effective interest rate, 1.26%	187
Convert corporate bonds payable into ordinary shares	(100)
Redemption of corporate bonds	(18,000)
Liability components as of December 31, 2024	<u>\$ -</u>

XXII. Notes payable and accounts payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes payable</u>		
Arising from business activities	<u>\$ 21,520</u>	<u>\$ 110,012</u>
<u>Accounts payable</u>		
Arising from business activities	<u>\$ 1,434,918</u>	<u>\$ 1,147,255</u>

The average credit period for accounts payable is approximately 120 days, and no interest is accrued on accounts payable. The consolidated company has established a financial risk management policy to ensure that all payables are repaid within the pre-agreed credit terms.

XXIII. Other liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Other payables		
Payables for equipment and construction	\$ 32,318	\$ 57,886
Salaries and bonuses payable	125,102	108,498
Welfare expenses payable	3,950	1,973
Remuneration payable to employees and directors	31,479	34,040
Payables for customs duties and logistics fees	43,599	31,804
Cash dividends payable to shareholders of the Company	20,329	46,084
Others	<u>118,862</u>	<u>111,034</u>
	<u>\$ 375,639</u>	<u>\$ 391,319</u>

XXIV. Equity

(I) Share capital

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Authorized shares (in thousand shares)	<u>100,000</u>	<u>100,000</u>
Authorized share capital	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Shares issued and fully paid up (in thousands)	<u>67,093</u>	<u>62,193</u>
Issued share capital	<u>\$ 670,931</u>	<u>\$ 621,934</u>

On May 28, 2025, the shareholders' meeting resolved to issue 3,110 thousand new shares at a price of NT\$ 10 per share, funded by undistributed earnings of NT\$ 31,097 thousand. After the capital increase, the paid-in capital is NT\$ 653,031 thousand. The base date for the capital increase is August 10, 2025. The Company completed the registration of the change on September 3, 2025.

On May 28, 2025, the annual shareholder meeting resolved to issue 3,109 thousand restricted stock units, with a par value of NT\$10 per share, which was approved by the Securities and Futures Bureau of the Financial Supervisory Commission on June 18, 2025 (Jin-Guan-Zheng-Fa-Zi No. 1140347713). On November 13, 2025, the Company's Board of Directors resolved to issue 1,790 thousand restricted stock units without consideration, with November 13, 2025, as the record date for the capital increase. For information regarding restricted stock units, please refer to Note 29.

(II) Capital surplus

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>For loss make-up, payment in cash or capitalization as equity (1)</u>		
Additional paid-in capital	\$ 329,694	\$ 329,694
Conversion premium	970,100	970,100
<u>For loss make-up only</u>		
Recognize the changes in the ownership interests of the subsidiaries (2)	82,665	78,435
Expired stock options	84,161	84,161
<u>Not for any purposes</u>		
Recognition of the equity elements of the issued convertible corporate bonds	671	671
Restricted stock units	<u>119,841</u>	<u>-</u>
	<u>\$ 1,587,132</u>	<u>\$ 1,463,061</u>

1. Such capital surplus may be used to offset losses. When the Company has no losses, it can also be used to make cash distribution or to convert to capital stock, but the amount converted to share capital each year is subject to a certain percentage of the paid-in capital.
2. Such capital surplus refers to the impact from equity transactions recognized due to changes in the equity investments in subsidiaries because the Company has not actually acquired or disposed the equity.

(III) Retained earnings and dividend policy

According to the Articles of Incorporation of the Company, the Cayman Islands Act and the regulations governing TWSE listed companies, if the Company makes a profit in a fiscal year, the profit shall be first utilized for tax payments and offsetting of prior losses, and then set aside a special reserve (if any). If there is a surplus, the Board of Directors shall retain the balance as undistributed earnings and distribute dividends and bonuses to shareholders based on the percentage of shares held by shareholders. The Board of Directors shall prepare a proposal for distribution and submit it to the shareholders' meeting for resolution. Meanwhile, the Company may distribute earnings or offset losses at the end of each quarter in accordance with the regulations governing TWSE listed companies. The proposal for the distribution of earnings or loss compensation shall be submitted to the independent directors of the Audit Committee for review and then to the Board of Directors for resolution.

The Company's dividend policy takes into account its stable growth, sustainable operation, capital requirements, sound financial structure, and the protection of shareholders' interests. The total amount of dividends to shareholders shall be no less than 10% of the distributable earnings. The dividends may be distributed to shareholders in cash or in shares; among these, cash dividends shall be no less than 50% of the total dividends distributed to shareholders. If the Company suffers no losses, the capital surplus may be distributed in whole or in part in accordance with the law or the regulations of the competent authority based on the Company's financial, business and operating factors.

For the distribution of dividends or bonuses as mentioned in the preceding paragraph, the Company may, in accordance with the regulations governing TWSE listed companies, by a special resolution of the shareholders' meeting, distribute all or part of the dividends or bonuses in the form of new shares; for the amount less than one share, it shall be distributed in cash. The Company may also, by a resolution of

the Board of Directors approved by at least two-thirds of all directors and a majority of those present, distribute all or part of the dividends and bonuses in cash and report to the shareholders' meeting.

The estimation basis for employee and director remuneration and the actual distribution are described in Note 26(7), "Employees' Compensation and Remuneration to Directors."

The aforementioned cash dividends were resolved by the Board of Directors on March 4, 2025 and March 4, 2024, respectively, while the remaining earnings distribution items were resolved at the shareholders' regular meeting on May 28, 2025 and June 18, 2024, respectively.

The Company's proposals for the distribution of earnings for the fourth quarter of 2024 and 2023 are as follows:

	<u>Q4, 2024</u>	<u>Q4, 2023</u>
Special reserve	<u>\$ -</u>	<u>\$ 59,066</u>
Cash dividends	<u>\$ -</u>	<u>\$ 48,075</u>
Stock dividends	<u>\$ 31,097</u>	<u>\$ -</u>
Cash dividend per share (NT\$)	\$ -	\$ 0.77
Stock dividend per share (NT\$)	\$ 0.5	\$ -

The Board of Directors resolved the mid-term earnings distribution for 2025 and 2024 and the cash dividends per share as follows:

	<u>Q3, 2025</u>	<u>Q2, 2025</u>	<u>Q1, 2025</u>
Date of Board of Directors' resolution	November 13, 2025	August 21, 2025	May 12, 2025
Special reserve	(<u>\$ 183,364</u>)	<u>\$ 217,726</u>	<u>\$ -</u>
Cash dividends	<u>\$ 20,329</u>	<u>\$ 11,559</u>	<u>\$ 27,987</u>
Cash dividend per share (NT\$)	\$ 0.30	\$ 0.18	\$ 0.45

	<u>Q3, 2024</u>	<u>Q2, 2024</u>	<u>Q1, 2024</u>
Date of Board of Directors' resolution	November 11, 2024	August 20, 2024	May 6, 2024
Cash dividends	<u>\$ 46,085</u>	<u>\$ 44,282</u>	<u>\$ 15,859</u>
Cash dividend per share (NT\$)	\$ 0.74	\$ 0.71	\$ 0.26

The quarterly cash dividends per share mentioned above may be affected by the number of outstanding shares, and the final dividend amount per share is available on the MOPS website.

The Company's Board of Directors of proposed the distribution of earnings for the 4th quarter of 2025 and dividends per share on March 11, 2026 as follows:

	<u>Q4, 2025</u>
Special reserve	(<u>\$ 34,362</u>)
Cash dividends	<u>\$ -</u>

Appropriation of earnings for 2025 is still pending for shareholders' resolution in the annual general meeting scheduled on May 29, 2026.

(IV) Other equity items

Unearned employee remuneration

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	\$ -	\$ -
Issued this year	(137,741)	-
Recognized share-based payment expenses	<u>4,592</u>	<u>-</u>
Balance at the end of the year	(<u>\$ 133,149</u>)	<u>\$ -</u>

(V) Non-controlling interests

	<u>2025</u>	<u>2024</u>
Opening balance	\$ 90,790	\$ 101,774
Current net income	10,985	27,168
Other comprehensive income for the period		
Exchange difference arising from translation of the financial statements of foreign operations	2,113	(30,234)
Non-controlling interests of the acquired subsidiaries (Note 32)	(74,183)	-
Liquidation of subsidiaries	<u>-</u>	(<u>7,918</u>)
Closing balance	<u>\$ 29,705</u>	<u>\$ 90,790</u>

XXV Revenue

	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers		
Sales revenue from products	\$ 6,322,525	\$ 5,799,711
Less: Discontinued operations (Note 12)	(<u>47,146</u>)	(<u>117,535</u>)
	<u>\$ 6,275,379</u>	<u>\$ 5,682,176</u>

(I) Sales income from merchandise

Revenue from merchandise sales is mainly derived from sales of electronic components, automotive components, and connected fitness equipment. Since the product is sold, the customer has the right to use the product and is exposed to the risk of loss or damage to the product. At this point, the consolidated company recognizes the revenue and accounts receivable.

(II) Contract balance

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable (Note 10)	\$ 73,534	\$ 113,480	\$ 5,181
Accounts receivables (Note 10)	<u>2,098,365</u>	<u>1,662,627</u>	<u>1,464,780</u>
	<u>\$2,171,899</u>	<u>\$1,776,107</u>	<u>\$1,469,961</u>
Contract liabilities – current	<u>\$ 80,005</u>	<u>\$ 93,061</u>	<u>\$ 35,549</u>

(III) Breakdown of revenue from contracts with customers

The following is an analysis of the revenue of the main products of the consolidated company's continuing operations:

	2025	2024
Automobile parts and components	\$ 3,385,000	\$ 3,163,504
Electronic parts and components	2,408,468	2,200,713
Interconnected gym equipment	464,733	288,955
Others	<u>17,178</u>	<u>29,004</u>
	<u>\$ 6,275,379</u>	<u>\$ 5,682,176</u>

XXVI. Net profit from continuing operations

Net profits for the year include the following items:

(I) Interest income

	2025	2024
Bank deposits	\$ 36,499	\$ 42,691
Less: Discontinued operations (Note 12)	<u>(694)</u>	<u>(1,383)</u>
	<u>\$ 35,805</u>	<u>\$ 41,308</u>

(II) Other income		
	<u>2025</u>	<u>2024</u>
Lease income		
Investment property		
(Note 16)	\$ 42,651	\$ 34,757
Subsidy income	15,130	27,278
Others	21,446	11,063
Less: Discontinued operations		
(Note 12)	(965)	(774)
	<u>\$ 78,262</u>	<u>\$ 72,324</u>
(III) Other gains and (losses)		
	<u>2025</u>	<u>2024</u>
Gain (loss) on financial assets		
and financial liabilities		
Financial assets		
mandatory at fair value		
through profit and loss	\$ 1,308	\$ -
Foreign currency exchange		
gain (loss), net	31,909	(14,932)
Loss on disposal of property,		
plant and equipment	(17,318)	(2,756)
Loss on disposal of non-		
current assets held for sale	(305)	-
Impairment of property, plant,		
and equipment	-	(4,809)
Impairment loss on		
investments under the equity		
method	-	(8,610)
Impairment loss on non-current		
assets held for sale	(125,591)	-
Loss on disposal of		
investments accounted for		
using the equity method	-	(10,538)
Losses of subsidiaries written		
off (Note 31)	-	(23,116)
Lease modification gain	171	-
Others	(15,964)	(2,736)
Less: Discontinued operations		
(Note 12)	3,214	(880)
	<u>(\$ 122,576)</u>	<u>(\$ 68,377)</u>

(IV) Financial costs

	<u>2025</u>	<u>2024</u>
Bank loan interest	(\$ 79,261)	(\$ 62,689)
Interest on lease liabilities	(9,077)	(10,656)
Interest on convertible corporate bonds	-	(187)
Less: Discontinued operations (Note 12)	<u>273</u>	<u>679</u>
	<u>(\$ 88,065)</u>	<u>(\$ 72,853)</u>

(V) Depreciation and amortization

	<u>2025</u>	<u>2024</u>
Depreciation expenses are summarized by function.		
Operating cost	\$ 395,037	\$ 353,998
Operating expenses	71,431	60,644
Less: Discontinued operations (Note 12)	<u>(26,750)</u>	<u>(26,882)</u>
	<u>\$ 439,718</u>	<u>\$ 387,760</u>

Amortization expenses are summarized by function.		
Operating cost	\$ 698	\$ 604
Operating expenses	5,530	7,263
Less: Discontinued operations (Note 12)	<u>(383)</u>	<u>(827)</u>
	<u>\$ 5,845</u>	<u>\$ 7,040</u>

(VI) Employee welfare expenses

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 904,182	\$ 787,305
Retirement benefits		
Defined contribution plan	43,377	41,997
Less: Discontinued operations (Note 12)	<u>(64,032)</u>	<u>(61,011)</u>
Total employee welfare expenses	<u>\$ 883,527</u>	<u>\$ 768,291</u>
Summarized by function		
Operating cost	\$ 492,203	\$ 423,226
Operating expenses	455,356	406,076
Less: Discontinued operations (Note 12)	<u>(64,032)</u>	<u>(61,011)</u>
	<u>\$ 883,527</u>	<u>\$ 768,291</u>

(VII) Employee and director remuneration

According to the Articles of Incorporation, the Company may allocate employee remuneration of no less than 0.5% and director remuneration of no more than 2% of the pre-tax profit before employee and director remuneration. The employee remuneration and director remuneration estimated for 2025 and 2024 were resolved by the Board of Directors on March 11, 2025 and March 4, 2024, respectively, as follows:

Estimated percentage

	<u>2025</u>	<u>2024</u>
Employee remuneration	1%	1%
Director remuneration	1%	1%

Amount

	<u>2025</u>	<u>2024</u>
	<u>Cash</u>	<u>Cash</u>
Employee remuneration	\$ 1,340	\$ 4,148
Director remuneration	1,340	4,148

If the amount changes after the consolidated financial statements are approved and announced to the public, the difference will be treated as a change in accounting estimate and recognized as a gain or loss in the following year.

The actual amounts of employee remuneration and director remuneration paid for years 2025 and 2024 were indifferent from the amounts recognized in the 2024 and 2023 consolidated financial statements.

Please visit “Market Observation Post System” for more information regarding employee/director remuneration resolved during the Company’s Board of Director meetings.

(VIII) Gain (loss) on foreign exchange

	<u>2025</u>	<u>2024</u>
Total gain on foreign exchange	\$ 231,706	\$ 229,590
Total foreign exchange losses	(199,797)	(244,522)
Less: Discontinued operations (Note 12)	<u>665</u>	<u>(3,061)</u>
Net gain (loss)	<u>\$ 32,574</u>	<u>(\$ 17,993)</u>

XVII. Income tax for continuing business operations

(I) Income tax recognized in profit and loss

Main components of income tax expense:

	<u>2025</u>	<u>2024</u>
Current income tax		
Generated during the year	\$ 91,999	\$ 96,078
Levy on undistributed earnings	6,251	1,790
Prior years' adjustment	(1,763)	(531)
	<u>96,487</u>	<u>97,337</u>
Deferred income tax		
Generated during the year	(13,526)	2,027
Unappropriated earnings of subsidiaries	10,655	5,503
	(2,871)	7,530
Less: Discontinued operations (Note 12)	-	(350)
Income tax expense recognized in profit and loss	<u>\$ 93,616</u>	<u>\$ 104,517</u>

The adjustment to accounting income and income tax expenses is as follows:

	<u>2025</u>	<u>2024</u>
Profit before tax from continuing and discontinued operations	<u>\$ 233,586</u>	<u>\$ 534,012</u>
Income tax expense calculated based on the statutory tax rate on pre-tax net income.	\$ 77,586	\$ 116,415
Non-deductible expenses for tax purposes	2,209	1,212
Effects of deferred income tax on subsidiary earnings	10,655	5,503
Additional levy on undistributed profits	6,251	1,790
Unrecognized deductible temporary differences and R&D tax credits	(1,322)	(19,522)
Adjustment of prior year income tax expense in the current year	(1,763)	(531)
Less: Discontinued operations (Note 12)	-	(350)
Income tax expense recognized in profit and loss	<u>\$ 93,616</u>	<u>\$ 104,517</u>

In 2025 and 2024, the tax rate applicable to the entities of the consolidated company under the Income Tax Act of the Republic of China was 20%. Except for the subsidiary of the consolidated company, Lemtech Precision Material and Lemtech Slide from the local government on December 13, 2023 and November 18, 2022, respectively, which allow them to enjoy a preferential tax rate of 15% between 2023-2026 and 2022-2025, respectively, the tax amount generated in other jurisdictions is calculated based on the tax rate applicable in each relevant jurisdiction.

(II) Income tax recognized in other comprehensive income

	<u>2025</u>	<u>2024</u>
<u>Deferred income tax</u>		
Generated in the year		
- Conversion of foreign operating units	(<u>\$ 10,084</u>)	<u>\$ 4,596</u>

(III) Current tax assets and liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current tax assets		
Tax refunds receivable	<u>\$ 1,510</u>	<u>\$ 13,750</u>
Current tax liabilities		
Income tax payable	<u>\$ 48,807</u>	<u>\$ 50,077</u>

(IV) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2025

	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensiv e income	Exchange differences	Others	Balance at the end of the year
<u>Deferred tax assets</u>						
Temporary difference						
Allowance for inventory valuation loss	\$ 12,224	(\$ 1,239)	\$ -	(\$ 89)	\$ -	\$ 10,896
Allowance for bad debt	1,614	680	-	9	-	2,303
Unrealized gross profit on inventory in transit	-	9,366	-	-	-	9,366
Investment gains and losses recognized under the equity method (foreign investment)	6,878	9,342	-	-	(4)	16,216
Foreign exchange differences from overseas operations	465	-	(465)	-	-	-
Unrealized exchange gain or loss	521	(462)	-	-	-	59
Lease liabilities	23,817	-	-	3,480	7,584	34,881
Others	<u>3,595</u>	<u>(3,395)</u>	<u>-</u>	<u>(171)</u>	<u>-</u>	<u>29</u>
Subtotal of deferred income tax assets	<u>\$ 49,114</u>	<u>\$ 14,292</u>	<u>(\$ 465)</u>	<u>\$ 3,229</u>	<u>\$ 7,580</u>	<u>\$ 73,750</u>
<u>Deferred tax liabilities</u>						
Temporary difference						
Unrealized gross profit on inventory in transit	\$ -	\$ 7,942	\$ -	\$ -	\$ -	\$ 7,942
Investment gains and losses recognized under the equity method (foreign investment)	156,226	(17,679)	-	(3,521)	-	135,026
Foreign exchange differences from overseas operations	3,282	-	10,549	(159)	-	13,672
Lease liabilities	23,817	-	-	3,480	7,584	34,881
Others	<u>214,071</u>	<u>21,158</u>	<u>-</u>	<u>(4,381)</u>	<u>(22,733)</u>	<u>208,115</u>
Subtotal of deferred tax liabilities	<u>\$ 397,396</u>	<u>\$ 11,421</u>	<u>\$ 10,549</u>	<u>(\$ 4,581)</u>	<u>(\$ 15,149)</u>	<u>\$ 399,636</u>

2024

	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensiv e income	Exchange differences	Others	Balance at the end of the year
<u>Deferred tax assets</u>						
Temporary difference						
Allowance for inventory valuation loss	\$ 13,951	(\$ 2,082)	\$ -	\$ 355	\$ -	\$ 12,224
Allowance for bad debt	4,035	(2,529)	-	108	-	1,614
Investment gains and losses recognized under the equity method (foreign investment)	-	6,812	-	-	66	6,878
Foreign exchange differences from overseas operations	-	-	465	-	-	465
Unrealized exchange gain or loss	410	111	-	-	-	521
Lease liabilities	15,348	-	-	(379)	8,848	23,817
Others	3,424	(18)	-	189	-	3,595
Subtotal of deferred income tax assets	<u>\$ 37,168</u>	<u>\$ 2,294</u>	<u>\$ 465</u>	<u>\$ 273</u>	<u>\$ 8,914</u>	<u>\$ 49,114</u>
<u>Deferred tax liabilities</u>						
Temporary difference						
Investment gains and losses recognized under the equity method (foreign investment)	\$ 143,596	\$ 5,107	\$ -	\$ 7,523	\$ -	\$ 156,226
Foreign exchange differences from overseas operations	7,978	-	(5,061)	365	-	3,282
Lease liabilities	15,348	-	-	(379)	8,848	23,817
Others	199,484	4,717	-	9,471	399	214,071
Subtotal of deferred tax liabilities	<u>\$ 366,406</u>	<u>\$ 9,824</u>	<u>(\$ 5,061)</u>	<u>\$ 16,980</u>	<u>\$ 9,247</u>	<u>\$ 397,396</u>

(V) Income tax assessment status

The income tax returns of LDC Company, Lemtech Global Industries, and Lemtech Holdings Taiwan Branch of the consolidated company up to 2023 have been approved by the tax collection authority.

XXVIII. Earnings per share

	Unit: NTD per share	
	<u>2025</u>	<u>2024</u>
Basic earnings per share		
From continuing operations	\$ 3.10	\$ 5.93
From discontinued operations	(<u>1.12</u>)	<u>0.23</u>
Total basic earnings per share	<u>1.98</u>	<u>6.16</u>
Diluted earnings per share		
From continuing operations	\$ 3.08	\$ 5.91
From discontinued operations	(<u>1.11</u>)	<u>0.23</u>
Total diluted earnings per share	<u>\$ 1.97</u>	<u>\$ 6.14</u>

The impact of the bonus share issuance had been retrospectively adjusted when calculating earnings per share. The record date for the bonus share issuance is scheduled for August 10, 2025. Due to retrospective adjustments, the changes in basic and diluted earnings per share for 2024 are as follows:

	<u>Before retrospective adjustment 2024</u>	<u>After retrospective adjustment 2024</u>
Basic earnings per share	<u>\$ 6.46</u>	<u>\$ 6.16</u>
Diluted earnings per share	<u>\$ 6.45</u>	<u>\$ 6.14</u>

Earnings and the weighted average number of ordinary shares used to calculate earnings per share for continuing operations are as follows:

Net profits for the year

	<u>2025</u>	<u>2024</u>
Net income attributable to the owners of the Company	<u>\$ 128,985</u>	<u>\$ 401,977</u>
Net income used for calculating basic earnings per share	\$ 128,985	\$ 401,977
Less: Net loss (income) of the discontinued operation used to calculate basic earnings per share of the discontinued operation.	73,175	(14,963)
Dilutive effect of potential common shares: Interest after tax of convertible corporate bonds	<u>-</u>	<u>187</u>
Net profit attributable to continuing operations for diluted earnings per share calculation	<u>\$ 202,160</u>	<u>\$ 387,201</u>

Number of shares

	Unit: Thousand shares	
	<u>2025</u>	<u>2024</u>
Weighted average ordinary shares used for calculating basic earnings per share	65,303	65,303
Dilutive effect of potential common shares:		
Restricted stock awards	248	-
Convertible corporate bonds	-	112
Employee remuneration	<u>18</u>	<u>31</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>65,569</u>	<u>65,446</u>

If the consolidated company has the option to distribute employee remuneration either in cash or in shares, then the calculation of diluted earnings per share shall be made by assuming full share-based payments. In this case, the number of potential ordinary shares is added to the calculation of weighted average outstanding shares as soon as they become dilutive, and this serves as the basis for calculating diluted earnings per share. Dilutive effects of potential common shares will continue to be taken into account when calculating diluted EPS for next year's decision of share-based employee remuneration.

III. Share-based payment agreement

Restricted stock awards

Plans for restricted stock units each year are as follows:

	<u>2025 plan</u>
Shareholders' meeting resolution date	May 28, 2025
Board of Directors resolution date	November 13, 2025
Number of shares actually issued	1,790 thousand shares
Number of shares available for issuance	1,319 thousand shares
Grant date/Issuance date	November 13, 2025

The restricted rights of employees who have not yet met the vesting conditions after receiving restricted stock units are as follows:

- (I) Employees may not sell, transfer, gift, encumber, or otherwise dispose of the restricted stock units.
- (II) Proposals, speeches, voting rights, and other matters concerning shareholders' rights at the Company's shareholders' meetings are entrusted to a trust or custodial institution (as applicable) for execution.
- (III) Restricted stock units are entitled to participate in cash capital increases and dividend distributions before vesting, and any stock dividends and interest received are not subject to the vesting period restrictions.
- (IV) The rights and obligations of the restricted stock units are the same as those of the Company's existing ordinary shares.

If the employees fail to meet the vesting conditions, the Company will reclaim all restricted stock units granted to them for cancellation.

As of December 31, 2025, the following information pertains to the restricted stock units issued by the Company:

	<u>Number of shares (in thousands)</u>
<u>Restricted stock units</u>	<u>2025</u>
Balance at the beginning of the year	\$ -
Issued this year	<u>1,790</u>
Balance at the end of the year	<u>\$ 1,790</u>

XXX. Government grants

These are government subsidies received by the subsidiaries in China as stipulated by various local governments. Other income of NT\$15,130 thousand and NT\$27,279 thousand were recognized in 2025 and 2024, respectively.

XXXI. Disposal of subsidiary

The consolidated company signed an agreement on the transfer of the equity for the disposal of Emtron Company in December 2024. Emtron Company is responsible for the surface treatment and processing of automotive parts and components. The consolidated company completed the disposal in December 2024 and lost control over the subsidiary.

(I) Consideration received

	<u>Emtron Company</u>
Cash and cash equivalents	\$ 28,277
Disposal of investment receivable	-
Total consideration received	<u>\$ 28,277</u>

The investment proceeds were fully collected in March 2025.

(II) Analysis of assets and liabilities over which the control is lost

	<u>Emtron Company</u>
<u>Current assets</u>	
Cash and cash equivalents	\$ 6,684
Notes receivable	70
Accounts receivable	33,348
Other receivables	54
Inventory	3,377
Prepayment	3,248
<u>Non-current assets</u>	
Property, plant and equipment	18,801
Right-of-use assets	11,841
Refundable deposits	1,402
<u>Current liabilities</u>	
Accounts payable	(7,419)
Other payables	(5,002)
Lease liabilities – current	(12,089)
Other current liabilities	(118)
<u>Non-current liabilities</u>	
Lease liabilities – non-current	(4,166)
Net assets disposed of	<u>\$ 50,031</u>

(III) Losses of disposal of subsidiary

	<u>Emtron Company</u>
Consideration received	\$ 28,277
Net assets disposed of	(50,031)
The accumulated exchange difference reclassified from the net assets of the subsidiary to the profit or loss due to the loss of the control over the subsidiary	(<u>1,362</u>)
Loss on disposal	(<u>\$ 23,116</u>)

(IV) Net cash inflow from the disposal of subsidiary

	<u>Emtron Company</u>
Consideration received in cash and cash equivalents	\$ 28,277
Less: Balance of cash and cash equivalents of disposal	(<u>6,684</u>)
	<u>\$ 21,593</u>

XXXII. Equity transactions with non-controlling interests

The consolidated company acquired 33% of the non-controlling interests of Lemtech Industrial Services Ltd. on March 4, 2025 and thereby resulted in an increase in the shareholding from 57% to 90%.

Since the above transactions did not change the consolidated company's control over the subsidiary, the consolidated company treated the transactions as equity transactions.

	<u>March 4, 2025</u> <u>Lemtech Industrial</u> <u>Services Ltd</u>
Consideration paid	(\$ 69,953)
The carrying amount of the subsidiary's net assets shall be transferred to non-controlling interests based on changes in relative equity	<u>74,183</u>
Equity transaction difference	<u>\$ 4,230</u>
<u>Adjustment of equity transaction difference</u>	
Capital surplus	<u>\$ 4,230</u>

XXXIII. Cash flow information

(I) Non-cash transaction

The consolidated company carried out the following non-cash investment and financing activities in 2025 and 2024:

The amount of cash paid for the purchase of property, plant and equipment is adjusted as follows:

	<u>2025</u>	<u>2024</u>
Additions for the year	\$ 556,437	\$ 511,810
Changes in payables for equipment and prepayment for equipment purchase	(49,188)	(45,346)
The amount of cash paid for the purchase of property, plant and equipment	<u>\$ 507,249</u>	<u>\$ 466,464</u>

(II) Changes in liabilities from financing activities

2025

	<u>January 1, 2025</u>	<u>Cash flow</u>	<u>Changes without cash effect</u>		<u>December 31, 2025</u>
			<u>New lease</u>	<u>Others</u>	
Lease liabilities	<u>\$ 312,810</u>	<u>(\$ 105,563)</u>	<u>\$ 207,494</u>	<u>\$ 25,932</u>	<u>\$ 440,673</u>

2024

	<u>January 1, 2024</u>	<u>Cash flow</u>	<u>Changes without cash effect</u>		<u>December 31, 2024</u>
			<u>New lease</u>	<u>Others</u>	
Lease liabilities	<u>\$ 248,703</u>	<u>(\$ 87,313)</u>	<u>\$ 153,374</u>	<u>(\$ 1,954)</u>	<u>\$ 312,810</u>

XXXIV. Capital risk management

The consolidated company conducts capital management to ensure that the entities within the consolidated company can maximize shareholder returns by optimizing the balance of debt and equity while maintaining operations.

The capital structure of the consolidated company is composed of the consolidated company's net debt (i.e., borrowings and corporate bonds less cash and cash equivalents) and equity (i.e., share capital, capital surplus, retained earnings, and other equity items).

The consolidated company is not subject to other external capital requirements.

The consolidated company's key management reviews the consolidated company's capital structure annually, considering the cost and associated risks of different types of capital. The consolidated company balances its overall capital structure by paying dividends, issuing new shares, buying back shares, issuing new debt, or repaying old debt, as recommended by key management.

XXXV. Financial instruments

(I) Fair value information – financial instruments that are not measured at fair value

The carrying amounts of the consolidated company's financial assets and financial liabilities not measured at fair value approximate their fair values.

(II) Fair value information – financial instruments with fair value measured on a recurring basis

1. Fair value hierarchy

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Structured deposit	\$ -	\$ 94,436	\$ -	\$ 94,436

December 31, 2024: None.

There were no transfers between Level 1 and Level 2 fair value measurements for the years ended December 31, 2025 and December 31, 2024.

2. Level 2 fair value measurement technique and input

<u>Category of financial instruments</u>	<u>Measurement techniques and inputs</u>
Structured deposit	Discounted cash flow method: Estimated future cash flows based on observable interest rates at the end of the period, and discounted at a rate that reflects the credit risk of each counterparty.

(III) Types of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Measured at fair value through profit and loss		
Compulsorily measured at fair value through profit or loss	\$ 94,436	\$ -
Financial assets at amortized cost (Note 1)	3,805,691	3,786,485
<u>Financial liabilities</u>		
Carried at amortized cost (Note 2)	3,997,303	3,568,810

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, other receivables, and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term loans, notes payable, accounts payable, other payables, corporate bonds payable – current portion, long-term borrowing, long-term borrowing – current portion and guarantee deposits received.

(IV) Purpose and policy of financial risk management

The consolidated company's main financial instruments include cash and cash equivalents, accounts receivable, accounts payable, corporate bonds payable, and borrowings. The consolidated company's financial department provides services to various business units, coordinates operations in both domestic and international financial markets, and analyzes and manages financial risks related to the consolidated company's operations through internal risk reports assessing risk exposure. These risks include market risk (including foreign exchange rate risk and interest rate risk), credit risk and liquidity risk.

The financial management department reports to the management of the consolidated company on a monthly basis. The management performs monitoring of risks and policies based on its responsibilities to mitigate the exposure to risks.

1. Market risk

The main financial risks to which the consolidated company is exposed as a result of its operating activities are those over changes in foreign currency exchange rates (see (1) below) and changes in interest rates (see (2) below).

There is no change in how the consolidated company manages and assesses market risk exposure of its financial instruments.

(1) Foreign exchange rate risk

For the carrying amount of the consolidated company's monetary assets and monetary liabilities denominated in non-functional currencies (including monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements), please refer to Note 42.

Sensitivity analysis

The consolidated company is mainly affected by fluctuations in the U.S. dollar exchange rate.

The following sensitivity analysis shows the impact of a 1% strengthening/weakening in the foreign currency against NTD (the functional currency) to the consolidated company. 1% is the rate of sensitivity adopted by the management when reporting the foreign exchange rate risks to the management of the Group internally. It also represents the management's estimate on the reasonable range of exchange rate variation. The sensitivity analysis only covered monetary items

denominated in foreign currencies. The analysis was performed by making a 1% adjustment to the exchange rate applicable at the end of the period. The positive figures in the following table represent the amount of increase in pre-tax profit if the NTD strengthens against various related currencies by 1%. Effects on pre-tax profit (loss) and equity following a 1% weakening of the NTD against the respective foreign currencies would be a negative figure of the same amount.

	Impact posed by USD	
	<u>2025</u>	<u>2024</u>
Increase in net income before tax	<u>\$ 6,610</u>	<u>\$ 8,752</u>

The impact of pre-tax profit is mainly derived from the consolidated company's cash and cash equivalents, receivables, and payables denominated in USD that are still outstanding at the balance sheet date, against which a cash flow hedge has not been conducted.

(2) Interest rate risk

The consolidated company's entities borrow funds at both fixed and floating interest rates and thereby result in interest rate exposure. The policy of the consolidated company aims to maintain the risk over changes in reduced interest rates of the borrowing at floating interest rates. Meanwhile, currently, there is no interest rate hedging instrument. The management of the consolidated company will monitor the interest rate risk at any time, and if necessary, the necessary measures will be adopted to respond to the risk control over the significant changes in the market interest rate.

The carrying amount of financial assets and financial liabilities of the consolidated company exposed to interest rate risks as at the balance sheet date are presented below:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Risk of cash flow changes due to interest rate		
- financial assets	\$ 1,572,124	\$ 1,940,493
- financial liabilities	2,149,558	1,904,289

Sensitivity analysis

The following sensitivity analysis has been prepared based on interest rate risk exposures of non-derivatives as at the balance sheet date. For the liabilities at floating interest rates, the analysis method is based on the assumption that the amount of liabilities outstanding at the balance sheet date is outstanding throughout the reporting period. The rate of change adopted by management when reporting the interest rate internally to the Group is an increase or decrease of 0.5%. This also represents the reasonably possible range of change in management's assessment of the interest rate.

If interest rates increased/decreased by 0.5%, while all other variables remained unchanged, the consolidated company's net profit before tax for 2025 and 2024 would have decreased/increased by NT\$ 2,887 thousand and NT\$ 181 thousand, respectively.

2. Credit risk

Credit risk refers to the risk of financial loss caused to the consolidated company due to the counterparty's failure to fulfill the contractual obligations. Due to the nature of the industry, the consolidated company does not have significant concentration credit risk. The consolidated company has established a policy that requires it to ask customers for appropriate financial information when assessing the customers' credit lines to ensure that the sales service does not result in a significant credit risk.

The maximum credit risk exposure amount of the consolidated company refers to the net amount after the carrying amount of financial assets less the amounts which may be offset mutually and impairment loss recognized pursuant to the relevant requirements, without taking the collateral and other credit enhancements into consideration.

The counterparties of the consolidated company's accounts receivable and other receivables are mainly the foreign investment companies and international renowned companies incorporated in China. The credit risk control and impairment are detailed in Note 10.

The consolidated company's bank deposits and investments in other financial assets are mainly deposited in banks with good credit ratings assigned by international credit rating agencies. Therefore, the credit risk is not significant.

3. Liquidity risk

The consolidated company maintains adequate position of cash and cash equivalents to support the Group's operations and to mitigate effects of cash flow variation. The management of the consolidated company supervises the use of the bank financing facilities and ensures compliance with the terms and conditions of the loan contract.

Bank borrowings refer to the important source of liquidity for the consolidated company. For the consolidated company's unused credit facilities as of December 31, 2025 and December 31, 2024, please refer to the description of financing facilities in (2) below.

(1) Statement of Liquidity and Interest Rate Risks over Non-Derivative Financial Liabilities

The analysis on maturity of the remaining contract of non-derivative financial liabilities is based on the undiscounted cash flows of financial liabilities from the earliest date on which the consolidated company may be required to pay. Therefore, the consolidated company may be required to repay the bank borrowings on demand, which are listed in the earliest period below, regardless of the probability that the bank will exercise the right immediately; the analysis on the maturity of other non-derivative financial liabilities is prepared based on the agreed repayment date.

December 31, 2025

	<u>Less than 1 year</u>	<u>1–5 years</u>	<u>5 years and above</u>
<u>Non-derivative financial liabilities</u>			
Bank borrowings	\$1,252,890	\$ -	\$ -
Notes payable	21,520	-	-
Accounts payable	1,434,918	-	-
Other payables	375,639	-	-
Lease liabilities	97,609	259,304	83,760
Long-term borrowings	<u>53,272</u>	<u>843,396</u>	<u>-</u>
	<u>\$3,235,848</u>	<u>\$1,102,700</u>	<u>\$ 83,760</u>

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

	Less than 1 year	1–5 years	5 years and above
Lease liabilities	<u>\$ 116,483</u>	<u>\$ 289,364</u>	<u>\$ 87,321</u>

December 31, 2024

	Less than 1 year	1–5 years	5 years and above
<u>Non-derivative financial liabilities</u>			
Bank borrowings	\$1,026,072	\$ -	\$ -
Notes payable	110,012	-	-
Accounts payable	1,147,255	-	-
Other payables	391,319	-	-
Lease liabilities	77,796	214,609	20,405
Long-term borrowings	<u>25,881</u>	<u>852,336</u>	<u>-</u>
	<u>\$2,778,335</u>	<u>\$1,066,945</u>	<u>\$ 20,405</u>

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

	Less than 1 year	1–5 years	5 years and above
Lease liabilities	<u>\$ 84,982</u>	<u>\$ 219,580</u>	<u>\$ 30,960</u>

(2) Financing limit

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured bank overdraft facility		
- Amount used	\$ 1,199,338	\$ 1,054,289
- Amount unused	<u>3,836,796</u>	<u>3,401,953</u>
	<u>\$ 5,036,134</u>	<u>\$ 4,456,242</u>
Secured bank credit line		
- Amount used	\$ 950,220	\$ 850,000
- Amount unused	<u>25,500</u>	<u>-</u>
	<u>\$ 975,720</u>	<u>\$ 850,000</u>

XXXVI. Related party transactions

Transactions, account balances, income, and expenses between the Company and its subsidiaries (related parties of the Company) are eliminated in full on consolidation and, therefore, are not disclosed in this note. The transactions between the consolidated company and other related parties are as follows.

(I) Name of related party and its relationship

Name of related party	Relations with the consolidated company
Aapico Lemtech	Associate, but already sold in April 2024

(II) Operating revenue

Stated items	Category of related party	2025	2024
Sales revenue	Associate	\$ -	\$ 9

There is no significant difference between the terms of sale and collection applicable to related parties and those for general transactions.

(III) Remuneration to key management personnel

	2025	2024
Short-term employee benefits	\$ 53,513	\$ 40,744

Remuneration to directors and key management personnel is determined by the Remuneration Committee based on individual performance and market trends.

XXXVII. Pledged assets

The following assets have been provided as collateral for loans:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bank deposits – restricted (recorded as financial assets at amortized cost)	\$ 132,006	\$ -
Non-current assets held for sale	1,038,897	1,038,147
	<u>\$ 1,170,903</u>	<u>\$ 1,038,147</u>

XXXVIII. Significant contingent liabilities and unrecognized contract commitments: None.

XXXIX. Significant disaster loss: None.

XL. Other Matters: None.

XLI. Significant subsequent events:

- (I) On December 19, 2024, the consolidated company's Board of Directors resolved to dispose of the plant and land in Zhongli District, Taoyuan City; and on October 20,

2025, the consolidated company signed a sale contract with Mu Tian Asset Management Consultation Co., Ltd., with a total transaction price of NT\$1,125,880 thousand. The transaction price was handled through a special trust account for price payments, and the transfer of ownership and delivery procedures were completed on January 23, 2026.

- (II) On December 18, 2025, the consolidated company's Board of Directors resolved to dispose of the subsidiary, Lemtech Electronics Technology (Changshu) Co., Ltd; and on January 15, 2026, the consolidated company signed an equity transfer contract with Jiangsu Jinhong Thermal Energy Technology Co., Ltd. to transfer 80% of the equity of the subsidiary, Lemtech Changshu, for a total price of RMB 14,400 thousand.

XLII. Information on foreign currency-denominated assets and liabilities of significant influence

The following information is presented in foreign currencies other than the functional currencies of the consolidated company. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currencies.

Information on significant assets and liabilities denominated in foreign currencies is as follows:

December 31, 2025

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 39,735	31.4300 (USD : NTD)	\$ 1,248,870
USD	40,176	7.0288 (USD : RMB)	1,262,736
USD	20	20.6422 (USD: CZK)	616
USD	419	4.0570 (USD: MYR)	13,174
USD	95	31.4620 (USD: THB)	2,990
USD	4,179	17.9856 (USD: MXN)	131,330
RMB	758	4.4716 (RMB : NTD)	3,388
RMB	4,751	0.1423 (RMB : USD)	21,246
JPY	3,911	0.0449 (JPY: RMB)	785
EUR	1,380	8.2521 (EUR: RMB)	50,917
EUR	5,822	24.2347 (EUR: CZK)	214,843
SGD	107	0.7779 (SGD : USD)	2,607
SGD	49	24.4498 (SGD : NTD)	1,197
			<u>\$ 2,954,699</u>

Foreign
currency
liabilities

Monetary items

USD	45,343	31.4300 (USD : NTD)	\$ 1,425,138
USD	315	7.0288 (USD : RMB)	9,900
USD	17,757	17.9856 (USD: MXN)	558,092
USD	90	20.6422 (USD: CZK)	2,837
USD	88	4.0570 (USD: MYR)	2,769
RMB	69	4.4716 (RMB : NTD)	306
RMB	529	0.5772 (RMB : MOP)	2,363
EUR	6,862	24.2347 (EUR: CZK)	253,224
			<u>\$ 2,254,629</u>

December 31, 2024

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 27,516	32.7849 (USD : NTD)	\$ 902,094
USD	27,717	7.1884 (USD : RMB)	908,712
USD	7	24.1970 (USD: CZK)	213
USD	3,835	4.6402 (USD: MYR)	125,733
USD	1,772	34.0694 (USD: THB)	58,083
USD	1,264	20.6612 (USD: MXN)	41,450
RMB	125	4.5608 (RMB : NTD)	549
RMB	5,246	0.1391 (RMB : USD)	23,927
JPY	500	0.2098 (JPY: NTD)	105
JPY	64,707	0.0460 (JPY: RMB)	13,575
EUR	4,537	7.4855 (EUR: RMB)	154,904
EUR	5,045	25.1970 (EUR: CZK)	172,224
SGD	353	0.7360 (SGD : USD)	8,516
SGD	20	24.1298 (SGD : NTD)	495
			<u>\$ 2,410,580</u>

Foreign
currency
liabilities

Monetary items

USD	33,700	32.7849 (USD : NTD)	\$ 1,104,864
USD	114	7.1884 (USD : RMB)	3,726
USD	1,600	20.6612 (USD: MXN)	52,456
RMB	40	4.5608 (RMB : NTD)	180
JPY	11,262	0.0460 (JPY: RMB)	2,363
EUR	7,162	25.1970 (EUR: CZK)	244,501
			<u>\$ 1,408,090</u>

The consolidated company is primarily exposed to foreign exchange rate risk for NTD, RMB, USD, CZK, MYR, THB, and MXN. The following information is presented in the functional currencies of the entities holding foreign currency. The exchange rates disclosed refer to the rates at which the functional currencies are converted to the reporting currencies. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Functional currency	2025		2024	
	Functional currency converted to reporting currency	Net foreign exchange gain or loss	Functional currency converted to reporting currency	Net foreign exchange gain or loss
NTD	1 (NTD: NTD)	\$ 18,947	1 (NTD: NTD)	(\$ 15,248)
RMB	4.3569 (RMB: NTD)	(6,916)	4.5161 (RMB: NTD)	16,266
USD	31.0854 (USD: NTD)	536	32.2008 (USD: NTD)	3,203
CZK	1.4228 (CZK: NTD)	(351)	1.3844 (CZK: NTD)	(1,960)
MXN	1.6786 (MXN: NTD)	22,656	1.6616 (MXN: NTD)	(17,838)
MYR	7.6688 (MYR: NTD)	(4,243)	7.0385 (MYR: NTD)	1,344
THB	0.9952(THB: NTD)	1,280	0.9477 (THB: NTD)	(699)
		<u>\$ 31,909</u>		<u>(\$ 14,932)</u>

XLIII. Supplementary disclosures

(I) Significant Transactions:

1. Loaning of funds to others (Table 1)
2. Endorsement and guarantee for others (Table 2)
3. Securities held at the end of the period. (excluding investment in subsidiaries, associates and joint ventures). (None)
4. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 3)
5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
6. Other: Business relationships and significant transactions between the parent company and subsidiaries and among subsidiaries, and the amounts involved. (Table 5)

(II) Investees (Table 6))

(III) Information on investments in China:

1. The name of the investee in mainland China, the main businesses and products, its issued capital, the method of investment, information on the inflow or outflow of capital, percentage of ownership, investment income (losses), ending balance of investment, amount repatriated as dividends from the investee, and the limit of investment on the investee. (Table 7)

2. Significant direct or indirect (through a third region) transactions with the investee, its prices and terms of payment, unrealized gain or loss. (Table 7)
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - (3) The amount of property transactions and the amount of the resultant gains or losses.
 - (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - (5) The maximum balance, ending balance, interest rate range, and total interest accrued in the current year for capital lending.
 - (6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or acceptance of services.

XLIV. Segment information

The information provided to the major operating decision-maker for allocating resources and assessing segment performance focuses on the type of product or service delivered or provided. The segments to be reported by the consolidated company are as follows:

Manufacturing Department in Taiwan
Manufacturing Department in China
Manufacturing Department in Europe
Others

(I) Segment revenue and operating results

The inter-segment sales are valued at market price.

The income and operating results of the consolidated company's continuing operations are analyzed by reportable segment as follows:

2025

	Manufacturing Department in Taiwan	Manufacturing Department in China	Manufacturing Department in Europe	Others	Internal write-off	Total
Revenue from external customers	\$ 284,529	\$ 2,385,174	\$ 1,103,141	\$ 2,502,535	\$ -	\$ 6,275,379
Inter-segment income	<u>1,263,908</u>	<u>1,216,468</u>	<u>-</u>	<u>16,122</u>	<u>(2,496,498)</u>	<u>-</u>
Total revenues	<u>\$ 1,548,437</u>	<u>\$ 3,601,642</u>	<u>\$ 1,103,141</u>	<u>\$ 2,518,657</u>	<u>(\$ 2,496,498)</u>	<u>(\$ 6,275,379)</u>
Segment gains (losses)	\$ 115,225	\$ 328,986	\$ 68,236	(\$ 136,109)	\$ 26,997	\$ 403,335
Interest income						35,805
Financial costs						(88,065)
Other income						78,262
Other gains and losses						(122,576)
Net income before tax from continuing operations						<u>\$ 306,761</u>

2024

	Manufacturing Department in Taiwan	Manufacturing Department in China	Manufacturing Department in Europe	Others	Internal write-off	Total
Revenue from external customers	\$ 248,921	\$ 2,224,548	\$ 386,285	\$ 2,822,422	\$ -	\$ 5,682,176
Inter-segment income	<u>923,404</u>	<u>1,262,473</u>	<u>-</u>	<u>9,203</u>	<u>(2,195,080)</u>	<u>-</u>
Total revenues	<u>\$ 1,172,325</u>	<u>\$ 3,487,021</u>	<u>\$ 386,285</u>	<u>\$ 2,831,625</u>	<u>(\$ 2,195,080)</u>	<u>5,682,176</u>
Segment gains (losses)	\$ 103,273	\$ 373,376	\$ 100,743	(\$ 36,898)	\$ 6,635	\$ 547,129
Interest income						41,308
Financial costs						(72,853)
Other income						72,324
Other gains and losses						(68,377)
Share of profit or loss of associates accounted for using the equity method						(832)
Net income before tax from continuing operations						<u>\$ 518,699</u>

(II) Total segment assets and liabilities

The consolidated company's operating decisions are not based on segment assets and liabilities, and therefore segment assets and liabilities are not disclosed.

(III) Geographical information

The consolidated company operates mainly in three areas: Taiwan, China, and Europe.

Information on the consolidated company's revenue from external customers for continuing operations, disaggregated by area of operations, and information on non-current assets, disaggregated by asset location, is presented below:

	Revenue from external customers		Non-current assets	
	2025	2024	December 31, 2025	December 31, 2024
Asia	\$ 3,191,344	\$ 3,184,905	\$ 1,821,636	\$ 1,876,682
America	1,860,200	1,436,503	302,750	199,699
Europe	<u>1,223,835</u>	<u>1,060,768</u>	<u>459,227</u>	<u>352,602</u>
	<u>\$ 6,275,379</u>	<u>\$ 5,682,176</u>	<u>\$ 2,583,613</u>	<u>\$ 2,428,983</u>

Non-current assets exclude deferred tax assets.

(IV) Information on major customers

Among the revenue amounts of NT\$ 6,275,379 thousand and NT\$ 5,682,176 thousand for 2025 and 2024, revenue from a single group customer exceeding 10% of the consolidated company's total revenue is as follows:

	<u>2025</u>	<u>2024</u>
Customer J (Note 1)	\$ 1,203,753	\$ 803,678
Customer Z (Note 2)	673,275	666,701
Customer A (Note 2)	627,104	594,640

Note 1: Revenue is derived from fitness equipment and electronics.

Note 2: Revenue is derived from the automotive category.

Lemtech Holdings Co., Limited and its subsidiaries

Loaning of funds to others

2025

Table 1

Unit: Unless otherwise specified,
in NTD thousands

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related party status	Highest Balance for the Period	Closing balance (Note 2)	Amount actually drawn down	Interest rate range	Nature of the loan	Business transaction amount	Reasons for short-term financing	Allowance for bad debts	Collaterals		Single borrower lending limit (Note 3)	Financing amount limit (Note 3)	Remark
													Name	Value			
1	Lemtech Technology Limited	Lemtech Mexico, S.A. DE C.V.	Other receivables	Yes	\$ 62,860	\$ 62,860	\$ 62,860	4.05%	Necessities for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 469,485	\$ 469,485	
2	Lemtech Technology Limited	Lemtech Holdings Co., Limited	Other receivables	Yes	431,665	408,590	188,580	0.25%	Necessities for short-term financing	-	Operating capital	-	-	-	469,485	469,485	
3	LDC Precision Engineering Co., Ltd.	Lemtech Holdings Co., Limited	Other receivables	Yes	160,000	130,000	130,000	2.15%	Necessities for short-term financing	-	Operating capital	-	-	-	134,358	134,358	
4	Lemtech Precision Material (China) Co., Ltd	Lemtech Precision Engineering (Tianjin) Co., Ltd.	Other receivables	Yes	44,960	44,960	24,728	3.00%	Necessities for short-term financing	-	Operating capital	-	-	-	1,586,114	1,586,114	
5	Lemtech Precision Material (China) Co., Ltd	Lemtech Mexico, S.A. DE C.V.	Other receivables	Yes	35,069	35,069	-	-	Necessities for short-term financing	-	Purchase of equipment	-	-	-	1,586,114	1,586,114	

Note 1: The description of the number column is as follows:

- (1) 0 stands for the issuer.
- (2) The investees shall be numbered from 1 in Arabic numerals sequentially.

Note 2: If a public company, in accordance with Paragraph 1, Article 14 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, submits the motion for loaning of funds to the Board of Directors for resolution one by one, the amount as resolved by the Board of Directors shall still be included in the balance to be announced, even if the loan has not yet been allocated, in order to disclose the risk exposure. Notwithstanding, after the loan is repaid, the balance upon the repayment shall be disclosed to reflect the risk adjustment. If the public company, according to Paragraph 2, Article 14 of the same Regulations, has the Board of Directors resolve to authorize the Chairman to give loans in installments or make a revolving credit line available for the counterpart to draw down, within a certain monetary limit and within a period not to exceed one year, the limit of the amount resolved by the Board of Directors shall still be stated as the balance to be announced. Though it would be repaid subsequently, considering that the loan may be granted again, the limit of the amount resolved by the Board of Directors shall still be identified as the balance to be announced.

Note 3: (1) The limit of loans to others is determined based on the Operating Procedures for Loaning of Funds to Others approved by the shareholders' meeting of Lemtech Holdings Co., Limited: For loans to companies or firms engaged in business transactions with the Company, 1. the total amount of loans is limited to 20% of the net worth of the Company; and the individual amount of loans is limited to the business transaction amount between the two parties in the most recent year. The "business transaction amount" means the purchase or sale amount between the both parties, whichever is higher. 2. For the loan of funds to companies or firms with the need for short-term financing, the total amount of the loan is limited to 40% of the net worth of the Company; the individual amount of the loan is limited to 40% of the net worth of the Company.

(2) Subject to said requirements. For the loaning of funds to others by LDC Precision Engineering Co., Ltd., if there is the need for short-term financing in nature, the maximum limit is the net worth, NT\$335,896 (thousand) \times 40% = NT\$134,358 (thousand); also, the limit of single party loaning of funds to others is the net worth, NT\$335,896 (thousand) \times 40% = NT\$134,358 (thousand).

(3) Subject to said requirements. For the loaning of funds to others by Lemtech Precision Material (China) Co., Ltd (China), if there is a need for short-term financing in nature, the maximum limit is the net worth, NT\$3,965,286 (thousand) \times 40% = NT\$1,586,114 (thousand); also, the limit of single party loaning of funds to others is the net worth, NT\$3,965,286 (thousand) \times 40% = NT\$1,586,114 (thousand).

(4) Where any foreign companies in which the parent company directly and indirectly holds 100% of the voting shares need to engage in the loaning of funds due to financing, the individual amount of financing shall not exceed the net worth of the company that lends the loan, and the total amount of financing shall not exceed the net worth of the company that lends the loan in the most recent financial statements.

Lemtech Holdings Co., Limited and its subsidiaries
Endorsements/Guarantees for others
2025

Table 2

Unit: Unless otherwise specified,
in NTD thousands

No. (Note 1)	Endorsement/Guarantee Provider	Counterparty of Endorsement/Guarantee		Single party endorsement/ guarantee limit (Note 3)	Maximum balance of endorsement/ guarantee made during the current period	Balance of endorsements/ guarantees at the end of the period	Amount actually drawn down	Amount of property pledged as collateral for endorsements or guarantees.	Ratio of accumulated endorsement/ guarantee to net worth of the latest financial statements %	Maximum endorsement/ guarantee limit (Note 3)	As the parent company's endorsements/ guarantees toward subsidiary	As a subsidiary's endorsements/ guarantees toward its parent company	As the endorsements /guarantees toward the mainland China area
		Company name	Relation (Note 2)										
0	Lemtech Holdings Co., Limited	Lemtech Precision Material (Czech) s.r.o.	2	\$ 4,658,380	\$ 446,550	\$ 442,800	\$ 184,500	\$ -	11.41%	\$11,645,949	Yes	No	No
0	Lemtech Holdings Co., Limited	Lemtech Energy Solutions Corporation (Taiwan)	2	4,658,380	320,000	320,000	15,000	-	8.24%	11,645,949	Yes	No	No
0	Lemtech Holdings Co., Limited	LemTech Global Industries Ltd.	2	4,658,380	435,000	400,000	153,000	-	10.30%	11,645,949	Yes	No	No
0	Lemtech Holdings Co., Limited	Lemtech International Limited	2	4,658,380	365,255	345,730	-	-	8.91%	11,645,949	Yes	No	No
0	Lemtech Holdings Co., Limited	Lemtech Technology Malaysia Sdn. Bhd.	2	4,658,380	94,290	94,290	-	-	2.43%	11,645,949	Yes	No	No
0	Lemtech Holdings Co., Limited	Lemtech Technology Limited	2	4,658,380	94,200	62,860	-	-	1.62%	11,645,949	Yes	No	No
0	Lemtech Holdings Co., Limited	Lemtech Mexico, S.A. DE C.V.	2	4,658,380	125,720	125,720	-	-	3.24%	11,645,949	Yes	No	No
1	Lemtech Industrial Services Ltd	Kunshan Lemtech Electronics Technology Co., Ltd.	2	320,816	45,730	44,960	-	-	1.16%	802,041	No	No	Yes
2	Lemtech International Limited	Lemtech Holdings Co., Limited	3	270,917	166,025	157,150	141,435	-	4.05%	677,292	No	Yes	No
2	Lemtech International Limited	Lemtech Technology Malaysia Sdn. Bhd.	4	270,917	94,290	94,290	-	-	2.43%	677,292	No	No	No
3	LDC Precision Engineering Co., Ltd.	Lemtech Mexico, S.A. DE C.V.	4	403,075	63,980	62,860	50,288	60,860	1.62%	1,007,688	No	No	No

Note 1: The description of the number column is as follows:

(1) 0 stands for the issuer.

(2) The investees shall be numbered from 1 in Arabic numerals sequentially.

Note 2: There are 7 types of relationships between the endorser/guarantor and the endorsed/guaranteed party as follows, please indicate the type:

(1) A company with which it does business;

(2) A company in which the public company directly and indirectly holds more than 50 percent of the voting shares;

(3) A company that directly and indirectly holds more than 50 percent of the voting shares in the public company;

(4) Companies in which the public company holds, directly or indirectly, 90% or more of the voting shares;

(5) Companies in the same industry or joint builders for which the public company fulfills its contractual obligations by providing mutual endorsements/guarantees for the purposes of undertaking a construction project;

(6) Companies for which all capital contributing shareholders make endorsements/ guarantees due to their jointly invested company in proportion to their shareholding percentages;

(7) Companies in the same industry which provide among themselves joint and several security for a performance guarantee of a sales contract for pre-sale homes pursuant to the Consumer Protection Act for each other.

Note 3: (1) The limit of endorsements/guarantees is determined based on Article 36 and Article 38 of the Securities and Exchange Act and the Operating Procedures for Making of Endorsements/Guarantees approved by the shareholders' meeting: The total amount of endorsements/guarantees by Lemtech Holdings Co., Limited shall not exceed 300% of the net worth for the current period. The amount of endorsements/guarantees for a single enterprise shall not exceed 120% of the net worth for the current period. If endorsements/guarantees are made due to business relationships, the amount of endorsements/guarantees shall not exceed the total transaction amount between it and the Company in the most recent year (the amount of purchase or sale between both parties, whichever is higher). The net worth is determined based on the financial statements that have been audited or reviewed by the independent auditor in the most recent period. If companies in which the Company holds, directly or indirectly, 90% or more of the voting shares make guarantees/endorsements, the amount of such endorsements/guarantees shall not exceed 10% of the Company's net worth. Notwithstanding, the same shall not apply to the endorsements/guarantees between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

(2) Subject to said requirements, the maximum endorsement/guarantee amount by Lemtech Holdings Co., Limited is the net worth, NT\$3,881,983 (thousand), $\times 300\% = \text{NT\$}11,645,949$ (thousand), and the single party endorsement/guarantee limit is the net worth, NT\$3,881,983 (thousand), $\times 120\% = \text{NT\$}4,658,380$ (thousand).

(3) Subject to said requirements, the maximum endorsement/guarantee amount by Lemtech Industrial Services Ltd. is the net worth, NT\$267,347 (thousand) $\times 300\% = \text{NT\$}802,041$ (thousand), and the single party endorsement/guarantee limit is the net worth, NT\$267,347 (thousand), $\times 120\% = \text{NT\$}320,816$ (thousand).

(4) Subject to said requirements, the maximum endorsement/guarantee amount by Lemtech International Limited is the net worth, NT\$225,764 (thousand), $\times 300\% = \text{NT\$}677,292$ (thousand), and the single party endorsement/guarantee limit is the net worth, NT\$225,764 (thousand), $\times 120\% = \text{NT\$}270,917$ (thousand).

(5) Subject to said requirements, the maximum endorsement/guarantee amount by LDC Precision Engineering Co., Ltd. is the net worth, NT\$335,896 (thousand), $\times 300\% = \text{NT\$}1,007,688$ (thousand), and the single party endorsement/guarantee limit is the net worth, NT\$335,896 (thousand), $\times 120\% = \text{NT\$}403,075$ (thousand).

Lemtech Holdings Co., Limited and its subsidiaries

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

2025

Table 3

Unit: Unless otherwise specified,
in NTD thousands

Supplier (customer)	Trading counterparty	Relation	Transaction Details				Distinctive terms and conditions of trade and the reasons		Notes and accounts receivable (payable)		Remark
			Purchases (sales)	Amount	As percentage of the total purchases (sales) %	Credit period	Unit price	Credit period	Balance	As percentage of the total accounts receivable (payable) %	
Kunshan Lemtech Electronics Technology Co., Ltd.	Lemtech International Limited	Associate	Sales	\$ 611,998	9.75%	O/A 120 days	Based on the transfer pricing policy system	-	Accounts receivable \$ 293,549	62.31%	
Kunshan Lemtech Electronics Technology Co., Ltd.	Lemtech Technology Limited	Associate	Sales	277,722	4.43%	O/A 120 days	Based on the transfer pricing policy system	-	Accounts receivable 144,170	30.60%	
Lemtech Energy Solutions Corporation (Taiwan)	Lemtech International Limited	Associate	Sales	306,191	4.88%	O/A 120 days	Based on the transfer pricing policy system	-	Accounts receivable 186,575	61.20%	
Lemtech Energy Solutions Corporation (Taiwan)	Lemtech Technology Limited	Associate	Sales	139,691	2.23%	O/A 120 days	Based on the transfer pricing policy system	-	Accounts receivable 77,108	25.29%	
Lemtech Electronics Technology (Changshu) Co., Ltd.	Lemtech Technology Limited	Associate	Sales	103,276	1.65%	O/A 120 days	Based on the transfer pricing policy system	-	Accounts receivable 42,872	47.76%	
LemTech Global Industries Ltd.	Lemtech International Limited	Associate	Sales	452,709	7.21%	O/A 120 days	Based on the transfer pricing policy system	-	Accounts receivable 201,604	38.01%	
LemTech Global Industries Ltd.	Lemtech Mexico, S.A. DE C.V.	Associate	Sales	269,303	4.29%	O/A 120 days	Based on the transfer pricing policy system	-	Accounts receivable 280,549	52.90%	

Lemtech Holdings Co., Limited and its subsidiaries
Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital.
December 31, 2025

Table 4

Unit: Unless otherwise specified,
in NTD thousands

Company listed in the “accounts receivable” account	Name of trading counterparty	Relation	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Subsequent recovered amount of receivables from related party	Allowance for bad debts
					Amount	Treatment		
LDC Precision Engineering Co., Ltd.	Lemtech Holdings Co., Limited	Associate	Other receivables \$ 130,957	Note	\$ -	—	\$ -	\$ -
Lemtech Technology Limited	Lemtech Holdings Co., Limited	Associate	Other receivables 188,633	Note	-	—	-	-
Kunshan Lemtech Electronics Technology Co., Ltd.	Lemtech International Limited	Associate	Accounts receivable 293,549	2.59	-	—	76,791	-
Kunshan Lemtech Electronics Technology Co., Ltd.	Lemtech Technology Limited	Associate	Accounts receivable 144,170	3.43	-	—	21,183	-
Lemtech Energy Solutions Corporation (Taiwan)	Lemtech International Limited	Associate	Accounts receivable 186,575	1.95	-	—	13,025	-
LemTech Global Industries Ltd.	Lemtech International Limited	Associate	Accounts receivable 201,604	2.13	-	—	44,848	-
LemTech Global Industries Ltd.	Lemtech Mexico, S.A. DE C.V.	Associate	Accounts receivable 280,549	1.92	-	—	7,597	-

Note: Other receivables, thus turnover rate is not calculated.

Lemtech Holdings Co., Limited and its subsidiaries

Business relationships and significant transactions between the parent company and subsidiaries and among subsidiaries, and the amounts involved

2025

Table 5

Unit: Unless otherwise specified,
in NTD thousands

No. (Note 1)	Name of trader	Trading counterparty	Relations with the trader (Note 2)	Transactions Details			
				Title	Amount	Transaction terms and conditions	A percentage of consolidated total operating revenue or total assets (Note 3)
1	Lemtech Precision Material (China) Co., Ltd	Lemtech Precision Material (Czech) s.r.o.	2	Sales revenue (purchase)	\$ 50,837	General transaction terms and conditions	0.81%
1	Lemtech Precision Material (China) Co., Ltd	Lemtech International Limited	3	Sales revenue (purchase)	58,401	General transaction terms and conditions	0.93%
2	Kunshan Lemtech Electronics Technology Co., Ltd.	Lemtech International Limited	3	Accounts receivable (payable)	293,549	General transaction terms and conditions	3.23%
2	Kunshan Lemtech Electronics Technology Co., Ltd.	Lemtech International Limited	3	Sales revenue (purchase)	611,998	General transaction terms and conditions	9.75%
2	Kunshan Lemtech Electronics Technology Co., Ltd.	Lemtech Technology Limited	3	Sales revenue (purchase)	277,722	General transaction terms and conditions	4.43%
2	Kunshan Lemtech Electronics Technology Co., Ltd.	Lemtech Technology Limited	3	Accounts receivable (payable)	144,170	General transaction terms and conditions	1.59%
3	Lemtech Energy Solutions Corporation (Taiwan)	Lemtech International Limited	3	Sales revenue (purchase)	306,191	General transaction terms and conditions	4.88%
2	Lemtech Energy Solutions Corporation (Taiwan)	Lemtech International Limited	3	Accounts receivable (payable)	186,575	General transaction terms and conditions	2.05%
3	Lemtech Energy Solutions Corporation (Taiwan)	Lemtech Technology Limited	2	Sales revenue (purchase)	139,691	General transaction terms and conditions	2.23%
3	Lemtech Energy Solutions Corporation (Taiwan)	Lemtech Technology Limited	2	Accounts receivable (payable)	77,108	General transaction terms and conditions	0.85%
4	LDC Precision Engineering Co., Ltd.	Lemtech Holdings Co., Limited	2	Other receivables (payables)	130,957	General transaction terms and conditions	1.44%
5	Lemtech Technology Limited	Lemtech Holdings Co., Limited	2	Other receivables (payables)	188,633	General transaction terms and conditions	2.08%
5	Lemtech Technology Limited	Lemtech Mexico, S.A. DE C.V.	3	Other receivables (payables)	63,297	General transaction terms and conditions	0.70%
6	Lemtech Electronics Technology (Changshu) Co., Ltd.	Lemtech Technology Limited	3	Sales revenue (purchase)	103,276	General transaction terms and conditions	1.65%
7	LemTech Global Industries Ltd.	Lemtech International Limited	3	Sales revenue (purchase)	452,709	General transaction terms and conditions	7.21%
7	LemTech Global Industries Ltd.	Lemtech International Limited	3	Accounts receivable (payable)	201,604	General transaction terms and conditions	2.22%
7	LemTech Global Industries Ltd.	Lemtech Holdings Co., Limited	2	Sales revenue (purchase)	66,619	General transaction terms and conditions	1.06%
7	LemTech Global Industries Ltd.	Lemtech Mexico, S.A. DE C.V.	3	Sales revenue (purchase)	269,303	General transaction terms and conditions	4.29%
7	LemTech Global Industries Ltd.	Lemtech Mexico, S.A. DE C.V.	3	Accounts receivable (payable)	280,549	General transaction terms and conditions	3.09%

Note 1: Where the parent company and its subsidiaries do business with each other, information shall be stated separately in the “No.” column and numbered as follows:

1. “0” for the parent company.

2. The subsidiaries are numbered in sequential order starting from 1.

Note 2: The relationship with the traders is classified into three categories, which should be specified (the transaction conducted between the parent company and its subsidiaries or between two subsidiaries need not be disclosed in duplicate. For example, if the parent company has disclosed the transaction with the subsidiaries, the subsidiaries need not disclose it in duplicate. If one of the two subsidiaries has the transaction disclosed, the other subsidiary need not disclose it in duplicate).

1. Parent company to subsidiary

2. Subsidiaries to parent company

3. Subsidiaries to subsidiaries

Note 3: For computing the ratio of trade amount to total sales revenue or total assets, if it pertains to asset and liability accounts, the computation is based on the ratio of the ending balance to total consolidated assets; however, if it concerns income and expense accounts, the computation is based on the ratio of the interim cumulative amount to total consolidated revenue.

Note 4: Said transactions have been written off in the consolidated financial statements.

Note 5: The Company may determine discretionally whether to have the material transactions in the table illustrated according to its materiality.

Lemtech Holdings Co., Limited and its subsidiaries
The name of the investee, location, and other relevant information
2025

Table 6

Unit: NTD Thousands

Name of the investor	Name of investee	Location	Main business activities	Original investment amount		Holding at the end of period			Net income of investee	Investment gain or loss recognized in the current period	Remark
				End of the period	End of last year	Number of shares	Percentage %	Carrying amount			
the Company	<u>With controlling power</u> Lemtech Global Solution Co. Ltd.	Mauritius	General investment business	\$ 112,397	\$ 112,397	2,500,000	100	\$ 3,862,573	\$ 68,735	\$ 68,735	Subsidiaries
the Company	Lemtech International Limited	Hong Kong	Electronic and computer peripheral parts	214,320	214,320	7,000,000	100	225,764	(94,787)	(94,787)	Subsidiaries
the Company	Lemtech Industrial Services Ltd.	Samoa	Electronic and computer peripheral parts	76,536	6,583	2,250,000	90	267,347	87,245	76,261	Subsidiaries
the Company	LemTech Global Industries Ltd.	Taiwan	Electric appliances, audiovisual electronic products, other electrical machinery and equipment, automotive parts and components, other optical and precision machinery manufacturing and wholesale	30,000	30,000	3,000,000	100	371,339	101,353	101,353	Subsidiaries
LemtechInternationalLimited	Lemtech Energy Solutions Corporation (Taiwan)	Taiwan	Machinery equipment, mold, electric appliances and audiovisual electronic products, other electrical machinery and equipment, automobile and parts, other optical and precision equipment manufacturing and wholesale	30,000	30,000	3,000,000	100	150,075	16,178	16,178	Sub-subsidiary
LemtechInternationalLimited	Lemtech Techonology Malaysia Sdn. Bhd.	Malaysia	Electric appliances, audiovisual electronic products, other electrical machinery and equipment, other optical and precision machinery manufacturing and wholesale	80,502	80,502	-	50	60,367	(47,043)	(23,522)	Third-tier subsidiary
LemtechGlobalSolutionCo.Ltd.	Lemtech Mexico, S.A. DE C.V.	Mexico	Manufacturing of automotive parts and components; mold manufacturing; construction metal parts manufacturing; mobile terminal equipment manufacturing; communication equipment manufacturing; computer software and hardware and peripheral equipment manufacturing; electronic component manufacturing; mechanical parts and components sales; mold sales; electronic component retail; construction metal parts sales	158,577	158,577	-	48.16	88,086	(67,598)	(32,555)	Sub-subsidiary
LemtechTechnologyLimited	Lemtech Mexico, S.A. DE C.V.	Mexico	Manufacturing of automotive parts and components; mold manufacturing; construction metal parts manufacturing; mobile terminal equipment manufacturing; communication equipment manufacturing; computer software and hardware and peripheral equipment manufacturing; electronic component manufacturing; mechanical parts and components sales; mold sales; electronic component retail; construction metal parts sales	162,418	162,418	-	51.84	94,817	(67,598)	(35,043)	Third-tier subsidiary
Lemtech Precision Material (China) Co., Ltd	Lemtech Technology Limited	Hong Kong	Electronic and computer peripheral parts	597	597	20,000	100	469,485	(76,613)	(76,613)	Third-tier subsidiary
Lemtech Precision Material (China) Co., Ltd	LDC Precision Engineering Co., Ltd.	Taiwan	Electric appliances, audiovisual electronic products, other electrical machinery and equipment, automotive parts and components, other optical and precision machinery manufacturing and wholesale	9,524	9,524	-	100	335,896	(78,138)	(78,138)	Third-tier subsidiary

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Name of the investor	Name of investee	Location	Main business activities	Original investment amount		Holding at the end of period			Net income of investee	Investment gain or loss recognized in the current period	Remark
				End of the period	End of last year	Number of shares	Percentage %	Carrying amount			
Lemtech Precision Material (China) Co., Ltd	Lemtech Precision Material (Czech) s.r.o.	Czech	Production of automotive parts (tires, brakes, safety belts, safety air cylinders) and components (transmitting shafts), consumer electronics parts and components, and supply of server products.	\$ 195,984	\$ 195,984	-	100	\$ 335,845	\$ 36,890	\$ 36,890	Third-tier subsidiary
Lemtech Technology Limited	Lemtech USA Inc.	USA	Business development, collection of business information, market intelligence and industry information in the USA	1,502	1,502	50,000	100	1,534	605	605	Third-tier subsidiary
Lemtech Technology Limited	Lemtech Precision material (Thailand) Co.,Ltd	Thailand	Manufacturing of automotive parts and components; mold manufacturing; construction metal parts manufacturing; mobile terminal equipment manufacturing; communication equipment manufacturing; computer software and hardware and peripheral equipment manufacturing; electronic component manufacturing; mechanical parts and components sales; mold sales; electronic component retail; construction metal parts sales	98,355	98,355	1,017,500	100	84,035	(16,217)	(16,217)	Third-tier subsidiary
LemTech Global Industries Ltd.	Lemtech Techonology Malaysia Sdn. Bhd.	Malaysia	Electric appliances, audiovisual electronic products, other electrical machinery and equipment, other optical and precision machinery manufacturing and wholesale	80,502	80,502	-	50	60,367	(47,043)	(23,521)	Sub-subsidiary

Note 1: For information on investees in China, please refer to Table 7.

Lemtech Holdings Co., Limited and its subsidiaries

Information on investment in China

2025

Table 7

Unit: NTD thousands; foreign currency thousands

1. Name of invested company in China, principal business, paid-in capital, mode of investment, outward/inward remittance of fund, shareholding percentage, investment income, carrying amount of investment and investment income repatriated to Taiwan:

Name of investee in China	Main business activities	Paid-in capital	Method of investment	Cumulative investment amount outward remitted from Taiwan – beginning of the period	Investment remittance or regain in the current period		Accumulated outward remittance for investment from Taiwan at the end of the period	Net income of investee	Shareholding ratio of the Company's direct or indirect investment %	Investment income recognized in the current period	Carrying amount of investment at the end of period	Investment income repatriated to Taiwan as of the end of the period
					Outward remitted	Repatriated						
Lemtech Precision Material (China) Co., Ltd	Production and design of various new electronic components, such as fine blanking molds, die casting molds, non-metallic molds, computer connectors and computer heat dissipation modules, and sales of self-produced products.	286,242 (RMB 66,000)	99.81% of the equity held via investment by Lemtech Global Solution Co., Ltd.	\$ -	\$ -	\$ -	\$ -	\$ 101,438	99.81	\$ 101,245	\$ 3,957,752	\$ -
Lemtech Precision Material (China) Co., Ltd	Production and design of various new electronic components, such as fine blanking molds, die casting molds, non-metallic molds, computer connectors and computer heat dissipation modules, and sales of self-produced products.	286,242 (RMB 66,000)	0.19% of the equity held via investment by Lemtech Holdings Co., Limited	-	-	-	-	101,438	0.19	193	7,534	-
Kunshan Lemtech Electronics Technology Co., Ltd.	Design and production of sliding rails, gearboxes and related components, and sales of self-produced products	69,758 (RMB 15,000)	100% of the equity held via investment by Lemtech Industrial Services Ltd.	-	-	-	-	101,880	100	101,880	324,038	-
Lemtech Electronics Technology (Changshu) Co., Ltd.	Manufacturing of electronic components, wholesale of electronic components, manufacturing of special-purpose electronic materials, sales of special-purpose electronic materials, research and development of electronic materials, manufacturing of lighting fixtures, sales of lighting fixtures, manufacturing of automotive parts and components, manufacturing of solar energy equipment and components, sales of solar energy equipment and components, manufacturing of computer hardware and software equipment, and sales of communication equipment	368,705 (USD 12,500)	100% of the equity held via investment by Lemtech International Limited	-	-	-	-	(73,314)	100	(73,314)	15,860	-

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Name of investee in China	Main business activities	Paid-in capital	Method of investment	Cumulative investment amount outward remitted from Taiwan – beginning of the period	Investment remittance or regain in the current period		Accumulated outward remittance for investment from Taiwan at the end of the period	Net income of investee	Shareholding ratio of the Company's direct or indirect investment %	Investment income recognized in the current period	Carrying amount of investment at the end of period	Investment income repatriated to Taiwan as of the end of the period
					Outward remitted	Repatriated						
Lemtech Precision Engineering (Tianjin) Co., Ltd.	Manufacturing of automotive parts and components; mold manufacturing; construction metal parts manufacturing; mobile terminal equipment manufacturing; communication equipment manufacturing; computer software and hardware and peripheral equipment manufacturing; electronic component manufacturing; mechanical parts and components sales; mold sales; electronic component retail; construction metal parts sales	120,868 (USD 4,000)	100% of the equity held via investment Lemtech Precision Material (China) Co., Ltd.	-	-	-	-	(3,232)	100	(3,232)	95,567	-
Lemtech Precision Material (Huizhou) Co., Ltd.	Manufacturing of automotive parts and components; mold manufacturing; construction metal parts manufacturing; mobile terminal equipment manufacturing; communication equipment manufacturing; computer software and hardware and peripheral equipment manufacturing; electronic component manufacturing; mechanical parts and components sales; mold sales; electronic component retail; construction metal parts sales	31,014 (RMB 7,000)	100% of the equity held via investment Lemtech Precision Material (China) Co., Ltd.	\$ -	\$ -	\$ -	\$ -	(\$ 11,415)	100	(\$ 11,415)	\$ 18,151	\$ -

Note:

1. The investment profit and loss is recognized in accordance with the financial statements reviewed by the parent company's independent auditors during the same period.
2. Upper limit on the amount of investment in Mainland China:

Accumulated outward remittance for investment in Mainland China until the end of the period	Investment amounts authorized by Investment Commission, MOEA	Upper limit on the amount of investment in Mainland China stipulated by Investment Commission, MOEA
\$ -	Not applicable	Not applicable

3. Major transactions between the investees in the Mainland China and the Company occurring directly or indirectly via an enterprise in 3rd area: Table 5.
4. The endorsements, guarantees, or collateral provided by the investee companies in the Mainland China, directly or indirectly, via an enterprise in 3rd area: Table 2.
5. The financing provided by the investee companies in the Mainland China, directly or indirectly, via an enterprise in 3rd area: Table 1.
6. Other transactions having significant effect upon profit and/or loss or financial standing of the current term: None.