

Tricorntech Corporation  
Financial Statements and Independent Auditors'  
Review Report  
Third Quarter, 2025 and 2024  
(Stock code: 6909)

Address: 17F, No. 866-8, Zhongzheng Rd., Zhonghe  
District, New Taipei City  
TEL: (02)2223-0707

Tricorntech Corporation

Financial Statements and Independent Auditors' Review Report for Q3 2025 and 2024

Table of Contents

Item	Page
I. Cover	1
II. Table of Contents	2 ~ 3
III. Independent Auditors' Review Report	4
IV. Statement of Financial Position	5 ~ 6
V. Statements of Comprehensive Income	7
VI. Statements of Changes in Equity	8
VII. Statement of Cash Flows	9
VIII. Notes to Financial Statements	10 ~ 49
(I) History and organization	10
(II) The date of authorization for issuance of the financial statements and procedures for authorization	10
(III) Application of new standards, amendments and interpretations	10 ~ 11
(IV) Summary of significant accounting policies	12 ~ 13
(V) Critical accounting judgement, estimates and key sources of assumption uncertainty	13
(VI) Details of significant accounts	14 ~ 38
(VII) Related party transactions	39
(VIII) Pledged assets	39
(IX) Significant contingent liabilities and unrecognized contract commitments	39
(X) Significant disaster loss	39

Item	Page
(XI) Significant events after the balance sheet date	39
(XII) Others	39~ 48
(XIII) Supplementary disclosure	48 ~ 49
(XIV) Segment information	49

## Independent Auditors' Review Report

Ref. No. (2025) Cai-Shen-Bao-Zi No. 25002229

To the Board of Directors and Shareholders of Tricorntech Corporation:

### Introduction

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

### Scope

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

### Conclusion

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

PwC Taiwan

Sheng-Wei Teng  
Certified Public Accountant  
Yu-Fang Yen

Financial Supervisory Commission  
Approval Reference Numbers:

Jing-Guan-Zheng-Shen-Zi No. 1020013788  
Jing-Guan-Zheng-Shen-Zi No. 1080323093

November 12, 2025

Tricorntech Corporation  
Statement of Financial Position  
September 30, 2025, December 31, 2024 and September 30, 2024

Unit: NTD thousands

Assets	Notes	<u>September 30, 2025</u>		<u>December 31, 2024</u>		<u>September 30, 2024</u>		
		Amount	%	Amount	%	Amount	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 598,408	52	\$ 426,580	42	\$ 364,279	41
1110	Financial assets measured at fair value through profit or loss - current	6(2)	2	-	-	-	-	-
1136	Financial assets at amortized cost	6(3)	100,000	9	106,828	11	87,076	10
1140	Contract assets - current	6(16)	121,145	10	170,210	17	118,907	13
1150	Notes receivable, net	6(4)	1,218	-	8,172	1	-	-
1170	Accounts receivable, net	6(4)	74,878	6	52,256	5	75,812	9
1200	Other receivables		1,288	-	995	-	992	-
130X	Inventory	6(5)	125,353	11	105,438	10	99,677	11
1410	Prepayments		7,834	1	6,844	1	12,244	1
11XX	<b>Total current assets</b>		<u>1,030,126</u>	<u>89</u>	<u>877,323</u>	<u>87</u>	<u>758,987</u>	<u>85</u>
<b>Non-current assets</b>								
1600	Property, plant and equipment	6(6)	31,553	3	28,121	3	25,124	3
1755	Right-of-use assets	6(7)	20,527	2	10,350	1	12,976	1
1780	Intangible assets	6(8)	28,713	2	36,175	4	37,740	4
1840	Deferred income tax assets	6(21)	44,987	4	45,918	5	49,249	6
1920	Refundable deposits		7,110	-	5,561	-	5,491	1
1990	Other non-current assets - other		138	-	-	-	-	-
15XX	<b>Total non-current assets</b>		<u>133,028</u>	<u>11</u>	<u>126,125</u>	<u>13</u>	<u>130,580</u>	<u>15</u>
1XXX	<b>Total assets</b>		<u>\$ 1,163,154</u>	<u>100</u>	<u>\$ 1,003,448</u>	<u>100</u>	<u>\$ 889,567</u>	<u>100</u>

(continued on next page)

Tricorntech Corporation  
Statement of Financial Position  
September 30, 2025, December 31, 2024 and September 30, 2024

Unit: NTD thousands

Liabilities and equity	Notes	September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
<b>Current liabilities</b>							
Financial liabilities measured at fair value through profit or loss - current							
2120	6(2)	\$ 10	-	\$ -	-	\$ -	-
2130	6(16)	10,264	1	20,401	2	3,192	-
2170		33,521	3	27,560	3	10,783	1
2200	6(9)	72,295	6	85,763	8	65,730	8
2230	6(21)	-	-	1,017	-	1,287	-
2250	6(12)	11,415	1	9,334	1	8,029	1
2280		8,363	1	9,759	1	10,265	1
2399		795	-	824	-	709	-
21XX		<u>136,663</u>	<u>12</u>	<u>154,658</u>	<u>15</u>	<u>99,995</u>	<u>11</u>
<b>Non-current liabilities</b>							
2570	6(21)	4,211	-	4,444	1	3,083	1
2580		<u>12,498</u>	<u>1</u>	<u>784</u>	<u>-</u>	<u>2,952</u>	<u>-</u>
25XX		<u>16,709</u>	<u>1</u>	<u>5,228</u>	<u>1</u>	<u>6,035</u>	<u>1</u>
2XXX		<u>153,372</u>	<u>13</u>	<u>159,886</u>	<u>16</u>	<u>106,030</u>	<u>12</u>
<b>Equity</b>							
Share capital 6(13)							
3110		671,717	58	610,640	61	610,840	69
3140		1,328	-	-	-	-	-
3170		( 380)	-	-	-	-	-
Additional paid-in capital 6(14)							
3200		233,206	20	72,757	7	73,205	8
Retained earnings 6(15)							
3310		26,672	2	17,340	2	17,340	2
3350		87,138	8	160,822	16	103,428	12
Other equity							
3400		( 9,899)	( 1)	( 17,997)	( 2)	( 21,276)	( 3)
3XXX		<u>1,009,782</u>	<u>87</u>	<u>843,562</u>	<u>84</u>	<u>783,537</u>	<u>88</u>
Significant events after the balance sheet date 11							
3X2X		<u>\$ 1,163,154</u>	<u>100</u>	<u>\$ 1,003,448</u>	<u>100</u>	<u>\$ 889,567</u>	<u>100</u>

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

Chairman: Leo Wang

Manager: Leo Wang

Accounting Supervisor: Gisele Lu

Tricorntech Corporation  
Statements of Comprehensive Income  
For the nine months ended September 30 of 2025 and 2024

Unit: NTD thousands  
(Except earnings per share in NTD)

Item	Notes	Three months ended September 30, 2025		Three months ended September 30, 2024		Nine months ended September 30, 2025		Nine months ended September 30, 2024		
		Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue	6(16)	\$ 119,537	100	\$ 156,795	100	\$ 336,186	100	\$ 308,215	100
5000	Operating cost	6(5)	( 49,016)	( 41)	( 52,143)	( 33)	( 144,461)	( 43)	( 115,940)	( 38)
5900	Gross operating profit		<u>70,521</u>	<u>59</u>	<u>104,652</u>	<u>67</u>	<u>191,725</u>	<u>57</u>	<u>192,275</u>	<u>62</u>
	Operating expenses	6(19)								
6100	Promotional expenses		( 19,512)	( 16)	( 25,863)	( 17)	( 66,908)	( 20)	( 58,507)	( 19)
6200	Administrative expenses		( 13,151)	( 11)	( 14,814)	( 9)	( 42,939)	( 13)	( 38,345)	( 12)
6300	Research and development expenses		( 23,478)	( 20)	( 24,606)	( 16)	( 69,565)	( 20)	( 67,790)	( 22)
6450	Expected credit impairment gain (loss)	12(2)	<u>1</u>	<u>-</u>	<u>( 409)</u>	<u>-</u>	<u>134</u>	<u>-</u>	<u>( 1,733)</u>	<u>( 1)</u>
6000	Total operating expenses		<u>( 56,140)</u>	<u>( 47)</u>	<u>( 65,692)</u>	<u>( 42)</u>	<u>( 179,278)</u>	<u>( 53)</u>	<u>( 166,375)</u>	<u>( 54)</u>
6900	Operating profit		<u>14,381</u>	<u>12</u>	<u>38,960</u>	<u>25</u>	<u>12,447</u>	<u>4</u>	<u>25,900</u>	<u>8</u>
	Non-operating income and expenses									
7100	Interest income		1,793	2	1,396	1	5,691	1	4,118	1
7010	Other income		57	-	2	-	83	-	712	-
7020	Other gains and losses	6(17)	4,169	3	( 3,926)	( 3)	( 14,260)	( 4)	7,229	3
7050	Financial cost	6(18)	( 115)	-	( 77)	-	( 200)	-	( 276)	-
7000	Total non-operating income and expenses		<u>5,904</u>	<u>5</u>	<u>( 2,605)</u>	<u>( 2)</u>	<u>( 8,686)</u>	<u>( 3)</u>	<u>11,783</u>	<u>4</u>
7900	<b>Net profit before tax</b>		<u>20,285</u>	<u>17</u>	<u>36,355</u>	<u>23</u>	<u>3,761</u>	<u>1</u>	<u>37,683</u>	<u>12</u>
7950	Income tax expenses	6(21)	( 3,883)	( 3)	( 656)	-	( 943)	-	( 1,761)	-
8200	<b>Profit for the period</b>		<u>\$ 16,402</u>	<u>14</u>	<u>\$ 35,699</u>	<u>23</u>	<u>\$ 2,818</u>	<u>1</u>	<u>\$ 35,922</u>	<u>12</u>
8500	<b>Total comprehensive income for the period</b>		<u>\$ 16,402</u>	<u>14</u>	<u>\$ 35,699</u>	<u>23</u>	<u>\$ 2,818</u>	<u>1</u>	<u>\$ 35,922</u>	<u>12</u>
	Earnings per share	6(22)								
9750	Basic earnings per share		<u>\$ 0.25</u>		<u>\$ 0.59</u>		<u>\$ 0.04</u>		<u>\$ 0.60</u>	
9850	Diluted earnings per share		<u>\$ 0.24</u>		<u>\$ 0.59</u>		<u>\$ 0.04</u>		<u>\$ 0.59</u>	

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

Chairman: Leo Wang

Manager: Leo Wang

Accounting Supervisor: Gisele Lu

Tricorntech Corporation  
Statements of Changes in Equity  
For the nine months ended September 30 of 2025 and 2024

Unit: NTD thousands

	Notes	Share capital			Retained earnings		Other equity - Unearned employee compensation	Total	
		Common stock capital	Capital received in advance	Share capital pending cancellation	Additional paid- in capital	Legal reserve			Undistributed earnings
<u>2024</u>									
Balance as of January 1, 2024		\$ 602,347	\$ -	\$ -	\$ 55,295	\$ 8,028	\$ 125,006	\$ -	\$ 790,676
Profit for the period		-	-	-	-	-	35,922	-	35,922
Total comprehensive income for the period		-	-	-	-	-	35,922	-	35,922
Compensation cost for employee stock options	6(11)	-	-	-	464	-	-	-	464
Execution of employee stock options	6(13)	2,493	-	-	1,246	-	-	-	3,739
Issuance of restricted employee shares	6(13)	6,000	-	-	16,200	-	-	( 22,200 )	-
Compensation cost of restricted employee shares	6(11)	-	-	-	-	-	-	924	924
Earning appropriation and distribution for 2023	6(15)	-	-	-	-	-	-	-	-
Appropriation of legal reserve		-	-	-	-	9,312	( 9,312 )	-	-
Appropriation of cash dividends		-	-	-	-	-	( 48,188 )	-	( 48,188 )
Balance as of September 30, 2024		\$ 610,840	\$ -	\$ -	\$ 73,205	\$ 17,340	\$ 103,428	( \$ 21,276 )	\$ 783,537
<u>Six months ended June 30, 2025</u>									
Balance as of January 1, 2025		\$ 610,640	\$ -	\$ -	\$ 72,757	\$ 17,340	\$ 160,822	( \$ 17,997 )	\$ 843,562
Profit for the period		-	-	-	-	-	2,818	-	2,818
Total comprehensive income for the period		-	-	-	-	-	2,818	-	2,818
Compensation cost for employee stock options	6(11)	-	-	-	8,864	-	-	-	8,864
Execution of employee stock options	6(13)	287	-	-	144	-	-	-	431
Compensation cost of restricted employee shares	6(11)	-	-	-	-	-	-	6,692	6,692
Cancellation of restricted employee shares due to employee resignation	6(13)	-	-	( 380 )	( 1,026 )	-	-	1,406	-
Capital increase in cash	6(13)	60,790	-	-	152,102	-	-	-	212,892
Advance receipts for cash capital increase		-	1,328	-	-	-	-	-	1,328
Return of employee trust shares upon invalidation		-	-	-	365	-	-	-	365
Earning appropriation and distribution for 2024	6(15)	-	-	-	-	-	-	-	-
Appropriation of legal reserve		-	-	-	-	9,332	( 9,332 )	-	-
Appropriation of cash dividends		-	-	-	-	-	( 67,170 )	-	( 67,170 )
Balance as of September 30, 2025		\$ 671,717	\$ 1,328	( \$ 380 )	\$ 233,206	\$ 26,672	\$ 87,138	( \$ 9,899 )	\$ 1,009,782

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

Chairman: Leo Wang

Manager: Leo Wang

Accounting Supervisor:  
Gisele Lu

Tricorntech Corporation  
Statement of Cash Flows  
For the nine months ended September 30 of 2025 and 2024

Unit: NTD thousands

	Notes	For the nine months ended September 30, 2025	For the nine months ended September, 2024
<u>Cash flow from operating activities</u>			
Net income (loss) before tax for the period		\$ 3,761	\$ 37,683
Items for adjustment			
Income and expenses			
Depreciation expense	6(6)(7)(19)	16,468	16,777
Amortization expense	6(8)(19)	8,202	8,080
Expected credit loss (gain)	12(2)	( 134 )	1,733
Interest expense	6(18)	200	276
Interest income		( 5,691 )	( 4,118 )
Share-based compensation expense amortization	6(11)	15,556	1,388
Gain on disposal of property, plant and equipment	6(17)	( 48 )	-
Gain on lease modification	6(17)	( 22 )	-
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Financial assets (liabilities) measured at fair value through profit or loss - current		8	-
Contract assets		49,065	( 19,192 )
Notes receivable, net		6,954	531
Accounts receivable, net		( 22,488 )	( 8,282 )
Other receivables		-	467
Inventory		( 23,141 )	( 1,065 )
Prepayments		( 990 )	( 7,814 )
Net changes in liabilities related to operating activities			
Contract liabilities - current		( 10,137 )	( 11,318 )
Accounts payable		5,961	2,535
Other payables		( 15,431 )	1,495
Liability reserves - current		2,081	1,192
Other current liabilities		( 29 )	( 14 )
Cash inflow from operations		30,145	20,354
Interest collected		5,458	3,363
Interest paid		( 200 )	( 277 )
Income tax paid		( 1,322 )	( 363 )
Net cash inflow from operating activities		<u>34,081</u>	<u>23,077</u>
<u>Cash flow from investing activities</u>			
Disposal of property, plant and equipment		103	-
Acquisition of financial assets at amortized cost		( 419,040 )	( 87,076 )
Disposal of financial assets at amortized cost		425,868	2,500
Acquisition of property, plant and equipment	6(23)	( 6,078 )	( 3,735 )
Increase in refundable deposits		( 2,558 )	( 78 )
Decrease in refundable deposits		1,009	-
Acquisition of intangible assets	6(8)	( 740 )	-
Other non-current assets - other increase		( 138 )	-
Net cash outflow from investing activities		<u>( 1,574 )</u>	<u>( 88,389 )</u>
<u>Cash flow from financing activities</u>			
Repayment of long-term borrowings	6(24)	-	( 1,667 )
Lease principal repayment	6(24)	( 8,525 )	( 7,936 )
Distribution of shareholders' cash dividends	6(15)	( 67,170 )	( 48,188 )
Capital increase in cash	6(14)	212,892	-
Execution of employee stock options	6(11)	431	3,739
Increase in subscribed stock		1,328	-
Return of employee trust shares upon invalidation		365	-
Net cash inflow (outflow) from financing activities		<u>139,321</u>	<u>( 54,052 )</u>
Increase (decrease) in cash and cash equivalents for the current period		171,828	( 119,364 )
Opening balance of cash and cash equivalents		426,580	483,643
Closing balance of cash and cash equivalents		<u>\$ 598,408</u>	<u>\$ 364,279</u>

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

Chairman: Leo Wang

Manager: Leo Wang

Accounting Supervisor: Gisele Lu

Tricorntech Corporation  
Notes to Financial Statements  
Third Quarter, 2025 and 2024

Unit: NTD thousands  
(except as otherwise indicated)

I. History and organization

Tricorntech Corporation (hereinafter referred to as the "Company") was approved to be incorporated on January 15, 2010. In June 2017, the Company changed its name from Innocon Biotech Co., Ltd. to Tricorntech Corporation through a resolution of the shareholders. The Company is primarily engaged in the research and development, production and sale of gas detection and pollution prevention equipment.

The Company was listed on the Taiwan Stock Exchange on May 21, 2025.

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

This financial statement was approved by the Board of Directors for publication on November 12, 2025.

III. Application of new standards, amendments and interpretations

(I) Impact of newly issued and amended IFRSs endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC") adopted by the Company

The following table summarizes the newly issued, amended, and revised standards and interpretations of the IFRSs applicable in 2025 that were endorsed and issued by the FSC:

New/amended/revised standards and interpretations	Effective date issued by the IASB
Amendments to IAS No. 21 "Lack of Convertibility"	January 1, 2025

The Company has assessed that the standards and interpretations above have no material impact on the financial position and financial performance of the Company.

(II) Impact of newly issued and amended International Financial Reporting Standards not yet adopted, as endorsed by the FSC

The following table summarizes the newly issued, amended, and revised standards and interpretations of the IFRSs applicable in 2026 that were endorsed and issued by the FSC:

New/amended/revised standards and interpretations	Effective date issued by the IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Involving Natural Electricity"	January 1, 2026

<u>New/amended/revised standards and interpretations</u>	<u>Effective date issued by the IASB</u>
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Standards - Volume 11	January 1, 2026

The Company has assessed that the standards and interpretations above have no material impact on the financial position and financial performance of the Company.

(III) Impact of IFRSs issued by the International Accounting Standards Board but not yet endorsed by the FSC:

The following table summarizes the newly released, amended, and revised standards and interpretations of IFRSs issued by the IASB but not yet recognized by the FSC:

<u>New/amended/revised standards and interpretations</u>	<u>Effective date issued by the IASB</u>
Amendments to IFRS 10 and IAS 28 "The Sale or Investment of Assets between Investors and Their Affiliates or Joint Ventures"	To be determined by International Accounting Standards Board
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027 (Note)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: In a press release dated September 25, 2025, the Financial Supervisory Commission (FSC) announced that public companies will be required to apply International Financial Reporting Standard 18 (hereinafter "IFRS 18") starting from the 2028 financial year. If an entity has a need for early adoption of IFRS 18, it may elect to apply IFRS 18 earlier after it has been endorsed by the FSC.

Except as stated below, the Company has assessed the above standards and interpretations and concluded that their adoption will not have a material impact on its financial position and financial performance. The actual financial impact will be disclosed upon completion of the relevant assessments:

Applicable to IFRS 18 "Presentation and Disclosures in Financial Statements"

IFRS 18 "Presentation and Disclosures in Financial Statements" replaces IAS 1, revises the structure of the statement of comprehensive income, introduces new disclosures regarding management performance measures, and strengthens the principles related to aggregation and disaggregation applied to the primary financial statements and the notes.

#### IV. Summary of significant accounting policies

Significant accounting policies are identical to Note 4 in the 2024 financial statements, except for the compliance statement, basis of preparations, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (I) Compliance Statement

1. The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 “Interim Financial Reporting”, as endorsed and issued into effect by the Financial Supervisory Commission.
2. The financial statements should be read in conjunction with the 2024 financial statements.

##### (II) Basis of preparation

1. Except for the following items, the financial statements have been prepared under the historical cost convention:  
Financial assets and liabilities measured at fair value through profit or loss (including derivatives).
2. The preparation of financial statements in accordance with the International Financial Reporting Standards (IFRSs) as endorsed and issued into effect by the Financial Supervisory Commission requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. Areas involving a high degree of judgment, complexity, or significant assumptions and estimates affecting the financial statements are disclosed in Note 5.

##### (III) Financial assets measured at fair value through profit or loss

1. This category refers to financial assets that are neither measured at amortised cost nor at fair value through other comprehensive income.
2. The Company measures such assets at fair value on initial recognition, with the related transaction costs recognized in profit or loss. Subsequently, they are measured at fair value, and any gains or losses are recognized in profit or loss.

##### (IV) Financial liabilities measured at fair value through profit or loss

1. Financial liabilities designated at fair value through profit or loss upon initial recognition. The Company designates a financial liability as at fair value through profit or loss upon initial recognition when any of the following conditions is met:
  - (1) It is a hybrid (combined) contract; or
  - (2) Designation eliminates or significantly reduces a measurement or recognition inconsistency; or
  - (3) It is an instrument that is managed, and its performance is evaluated on a fair value basis in accordance with a documented risk management policy.

2. The Company measures such financial liabilities at fair value on initial recognition, with the related transaction costs recognized in profit or loss. Subsequently, they are measured at fair value, and any gains or losses are recognized in profit or loss.

(V) Non-hedging derivatives and embedded derivatives

1. Derivatives that are not designated as hedging instruments are initially recognized at fair value on the date the related contracts are entered into and are presented as financial assets or financial liabilities at fair value through profit or loss. They are subsequently measured at fair value, and any gains or losses arising from changes in fair value are recognized in profit or loss.
2. For hybrid contracts containing embedded derivatives where the host contract is a financial asset, the entire hybrid financial instrument is classified at initial recognition, in accordance with the contractual terms, as a financial asset at fair value through profit or loss, a financial asset at fair value through other comprehensive income or a financial asset measured at amortized cost.
3. For hybrid contracts containing embedded derivatives where the host contract is a non-financial asset, the Company assesses at initial recognition whether the economic characteristics and risks of the embedded derivative are closely related to those of the host contract in order to determine whether separation is required. When the embedded derivative is closely related to the host contract, the entire hybrid instrument is accounted for in accordance with the relevant standard that applies to its nature. When the embedded derivative is not closely related to the host contract, the embedded derivative is separated and accounted for as a derivative, and the host contract is accounted for in accordance with the relevant standard that applies to its nature, or the entire hybrid instrument is designated at initial recognition as a financial liability at fair value through profit or loss.

(VI) Income tax

1. Income tax expenses for the interim period are calculated by applying the estimated annual average effective tax rate to the pre-tax profit or loss in the interim period, and relevant information is disclosed in accordance with the aforementioned policies.
2. When a change in tax rates occurs during an interim period, the Company recognizes the full effect of the change in the period in which the change takes place. If the change is related to items recognized outside of profit or loss, the tax effect is recognized in other comprehensive income or equity, as appropriate. If the change is related to items recognized in profit or loss, the tax effect is recognized in profit or loss.

V. Critical accounting judgement, estimates and key sources of assumption uncertainty

There is no material change in the current period. Please refer to Note 5 to the financial statements of 2024.

VI. Details of significant accounts

(I) Cash and cash equivalents

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Cash on hand	\$ 570	\$ 250	\$ 350
Checking accounts and demand deposits	386,392	273,545	240,630
Time deposits	<u>211,446</u>	<u>152,785</u>	<u>123,299</u>
	<u>\$ 598,408</u>	<u>\$ 426,580</u>	<u>\$ 364,279</u>

1. The credit quality of the financial institutions with which the Company interacts is good, and the Company interacts with multiple financial institutions to diversify credit risks. The probability of default is expected to be very low.

2. The Company does not pledge any cash or cash equivalents.

(II) Financial assets/liabilities measured at fair value through profit or loss

<u>Item</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Current Items:</u>			
Financial assets mandatorily measured at fair value through profit or loss			
Derivatives	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>
Financial liabilities designated at fair value through profit or loss			
Derivatives	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ -</u>

1. The details of gains or losses recognized in profit or loss on financial assets/liabilities at fair value through profit or loss are as follows:

	<u>Three months ended September 30, 2025</u>	<u>Three months ended September 30, 2024</u>
Financial assets/liabilities mandatorily measured at fair value through profit or loss		
Derivatives	<u>\$ 95</u>	<u>\$ -</u>
	<u>For the nine months ended September 30, 2025</u>	<u>For the nine months ended September 30, 2024</u>
Financial assets/liabilities measured at fair value through profit or loss		
Derivatives	<u>\$ 95</u>	<u>\$ -</u>

2. The transactions and contract information for derivative financial assets/liabilities not designated as hedging instruments are summarized as follows:

Derivative financial assets/liabilities	<u>September 30, 2025</u>	
	Contract amount (Notional principal) (Note)	Duration of contract
Current Items:		
Forward exchange contract		
- Forward exchange sale	USD 143	2025.09.05~2025.10.17
	USD 431	2025.09.05~2025.12.31

Note: Unit in thousands.

The Company enters into the above forward exchange contracts to hedge exchange rate risk on export receivables. However, as these contracts do not meet all the criteria for hedge accounting, hedge accounting is not applied.

(III) Financial assets measured at amortized cost

Item	September 30, 2025	December 31, 2024	September 30, 2024
Current Items:			
Time deposits of more than 3 months	\$ 100,000	\$ 106,828	\$ 87,076

1. Financial assets measured at amortized cost and recognized in profit or loss are as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024
	Interest income	\$ 644
	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Interest income	\$ 2,791	\$ 349

2. The Company does not pledge financial assets measured at amortized cost.
3. For information on the credit risk of financial assets measured at amortized cost, please refer to Note 12(2). The counterparties of the Company's time deposit certificates are financial institutions with good credit quality, and the probability of default is expected to be very low.

(IV) Accounts and notes receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	\$ 1,218	\$ 8,172	\$ -
Accounts receivable	\$ 76,110	\$ 53,622	\$ 77,611
Less: Loss allowance	( 1,232)	( 1,366)	( 1,799)
	<u>\$ 74,878</u>	<u>\$ 52,256</u>	<u>\$ 75,812</u>

1. The aging analysis of accounts receivable and notes receivable is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Not overdue	\$ 68,501	\$ 55,439	\$ 34,645
Within 30 days	2,922	-	33,568
31-90 days	4,688	1,766	-
91-180 days	-	-	126
181-360 days	-	3,279	7,565
More than 361 days	1,217	1,310	1,707
	<u>\$ 77,328</u>	<u>\$ 61,794</u>	<u>\$ 77,611</u>

The above is an aging analysis based on the number of overdue days.

2. As of September 30, 2025 and December 31 and September 30, 2024, the balances of notes and accounts receivable all arose from customer contracts. In addition, the accounts receivable balance from customer contracts as of January 1, 2024 was NT\$69,860.
3. The Company does not hold any collateral for accounts receivable.
4. Without considering the collateral or other credit enhancements held, the maximum amount of credit risk exposure that best represents the Company's notes and accounts receivable on September 30, 2025, December 31, 2024 and September 30, 2024 is the book value.

(V) Inventory

	September 30, 2025		
	Cost	Allowance for devaluation losses	Book value
Raw materials	\$ 43,705	(\$ 12,009)	\$ 31,696
Work in process	31,876	-	31,876
Semi-finished products	35,377	( 9,274)	26,103
Finished goods	46,408	( 10,730)	35,678
	<u>\$ 157,366</u>	<u>(\$ 32,013)</u>	<u>\$ 125,353</u>

December 31, 2024			
	Cost	Allowance for devaluation losses	Book value
Raw materials	\$ 42,286	(\$ 13,616)	\$ 28,670
Work in process	22,733	-	22,733
Semi-finished products	35,496	( 7,849)	27,647
Finished goods	<u>35,611</u>	<u>( 9,223)</u>	<u>26,388</u>
	<u>\$ 136,126</u>	<u>(\$ 30,688)</u>	<u>\$ 105,438</u>
September 30, 2024			
	Cost	Allowance for devaluation losses	Book value
Raw materials	\$ 41,171	(\$ 13,444)	\$ 27,727
Work in process	17,269	-	17,269
Semi-finished products	40,325	( 8,009)	32,316
Finished goods	<u>33,439</u>	<u>( 11,074)</u>	<u>22,365</u>
	<u>\$ 132,204</u>	<u>(\$ 32,527)</u>	<u>\$ 99,677</u>

1. Inventory cost recognized as expense losses by the Company in the current period:

	Three months ended September 30, 2025	Three months ended September 30, 2024
Cost of sold inventory	\$ 21,060	\$ 29,765
Labor service cost	26,291	20,897
Warranty cost	1,972	1,318
Inventory valuation losses (reversal gains)	( 307)	163
Inventory scrap loss	<u>-</u>	<u>-</u>
	<u>\$ 49,016</u>	<u>\$ 52,143</u>
	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Cost of sold inventory	\$ 70,308	\$ 60,393
Labor service cost	67,150	49,990
Warranty cost	5,059	4,019
Inventory valuation losses	1,325	1,538
Inventory scrap loss	<u>619</u>	<u>-</u>
	<u>\$ 144,461</u>	<u>\$ 115,940</u>

2. During the current period, the Company recognized a reversal of inventory valuation losses due to the sale of inventories previously written down in prior years, resulting in a recovery of the net realizable value and a corresponding reduction in inventory cost.

3. The Company does not pledge or guarantee the Company's inventory.

(VI) Property, plant and equipment

	<u>Machinery and equipment</u>	<u>Lease improvement</u>	<u>Other equipment</u>	<u>Equipment pending acceptance</u>	<u>Total</u>
January 1, 2025					
Cost	\$ 56,018	\$ 17,509	\$ 16,325	\$ 4,785	\$ 94,637
Accumulated depreciation	( 34,846)	( 16,603)	( 15,067)	-	( 66,516)
	<u>\$ 21,172</u>	<u>\$ 906</u>	<u>\$ 1,258</u>	<u>\$ 4,785</u>	<u>\$ 28,121</u>
<u>2025</u>					
January 1	\$ 21,172	\$ 906	\$ 1,258	\$ 4,785	\$ 28,121
Additions	5,925	500	1,263	369	8,057
Disposals	-	-	( 55)	-	( 55)
Reclassification (Note)	4,419	-	351	( 4,786)	( 16)
Transfer from inventories	2,487	-	-	739	3,226
Depreciation expense	( 6,519)	( 785)	( 476)	-	( 7,780)
September 30	<u>\$ 27,484</u>	<u>\$ 621</u>	<u>\$ 2,341</u>	<u>\$ 1,107</u>	<u>\$ 31,553</u>
September 30, 2025					
Cost	\$ 68,849	\$ 18,009	\$ 17,880	\$ 1,107	\$ 105,845
Accumulated depreciation	( 41,365)	( 17,388)	( 15,539)	-	( 74,292)
	<u>\$ 27,484</u>	<u>\$ 621</u>	<u>\$ 2,341</u>	<u>\$ 1,107</u>	<u>\$ 31,553</u>

Note: Reclassified from equipment pending acceptance to expenses in the current period.

	<u>Machinery and equipment</u>	<u>Lease improvement</u>	<u>Other equipment</u>	<u>Equipment pending acceptance</u>	<u>Total</u>
January 1, 2024					
Cost	\$ 58,550	\$ 17,032	\$ 15,539	\$ 41	\$ 91,162
Accumulated depreciation	( 32,486)	( 14,687)	( 13,835)	-	( 61,008)
	<u>\$ 26,064</u>	<u>\$ 2,345</u>	<u>\$ 1,704</u>	<u>\$ 41</u>	<u>\$ 30,154</u>
<u>2024</u>					
January 1	\$ 26,064	\$ 2,345	\$ 1,704	\$ 41	\$ 30,154
Additions	1,998	389	760	411	3,558
Reclassification	-	41	-	( 41)	-
Transfer from inventories	313	-	-	-	313
Depreciation expense	( 6,376)	( 1,382)	( 1,143)	-	( 8,901)
September 30	<u>\$ 21,999</u>	<u>\$ 1,393</u>	<u>\$ 1,321</u>	<u>\$ 411</u>	<u>\$ 25,124</u>
September 30, 2024					
Cost	\$ 57,512	\$ 17,462	\$ 16,059	\$ 411	\$ 91,444
Accumulated depreciation	( 35,513)	( 16,069)	( 14,738)	-	( 66,320)
	<u>\$ 21,999</u>	<u>\$ 1,393</u>	<u>\$ 1,321</u>	<u>\$ 411</u>	<u>\$ 25,124</u>

(VII) Lease transactions - Lessee

1. The underlying assets leased by the Company include buildings and official vehicles. The lease contract term is usually between 2 and 6 years. Lease contracts are negotiated individually and contain various terms and conditions. No other restrictions are imposed except that the leased assets may not be used as loan guarantees.
2. The lease term for the buildings and public vehicles rented by the Company shall not exceed 12 months, and the rented assets concern low-value items, specifically office equipment.

3. Carrying amounts of right-of-use assets and related depreciation expense are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
	Book value	Book value	Book value
Office	\$ 20,007	\$ 10,017	\$ 12,500
Transportation equipment (official vehicle)	520	333	476
	<u>\$ 20,527</u>	<u>\$ 10,350</u>	<u>\$ 12,976</u>

	Three months ended September 30, 2025	Three months ended September 30, 2024
	Depreciation expense	Depreciation expense
Office	\$ 3,375	\$ 2,482
Transportation equipment (official vehicle)	63	143
	<u>\$ 3,438</u>	<u>\$ 2,625</u>

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
	Depreciation expense	Depreciation expense
Office	\$ 8,340	\$ 7,447
Transportation equipment (official vehicle)	348	429
	<u>\$ 8,688</u>	<u>\$ 7,876</u>

4. The increase in the Company's right-of-use assets for the periods For the nine months ended September 30, 2025 and 2024 were NT\$19,26 and NT\$0, respectively.

5. The information of income items related to lease contracts is as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024
<u>Items affecting current profit and loss</u>		
Interest expense of lease liabilities	\$ 115	\$ 77
Expenses of short-term lease contracts	\$ 819	\$ 404
Expenses of low-value asset lease	\$ 22	\$ 23
Gain on lease modification	\$ 22	\$ -
	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
<u>Items affecting current profit and loss</u>		
Interest expense of lease liabilities	\$ 200	\$ 272
Expenses of short-term lease contracts	\$ 1,870	\$ 1,360
Expenses of low-value asset lease	\$ 66	\$ 67
Gain on lease modification	\$ 22	\$ -

6. The total cash outflow from leases of the Company for the periods For the nine months ended September 30, 2025 and 2024, amounted to NT\$10,661 and NT\$9,635, respectively.

(VIII) Intangible assets

	Patents and IP	Computer software	Total
January 1, 2025			
Cost	\$ 134,897	\$ 8,893	\$ 143,790
Accumulated amortization	( 98,701)	( 7,392)	( 106,093)
Accumulated impairment	( 1,522)	-	( 1,522)
	\$ 34,674	\$ 1,501	\$ 36,175
<u>2025</u>			
January 1	\$ 34,674	\$ 1,501	\$ 36,175
Increase in the current period	-	740	740
Current amortization	( 7,177)	( 1,025)	( 8,202)
September 30	\$ 27,497	\$ 1,216	\$ 28,713
September 30, 2025			
Cost	\$ 134,897	\$ 5,569	\$ 140,466
Accumulated amortization	( 105,878)	( 4,353)	( 110,231)
Accumulated impairment	( 1,522)	-	( 1,522)
	\$ 27,497	\$ 1,216	\$ 28,713
	Patents and IP	Computer software	Total
January 1, 2024			
Cost	\$ 134,897	\$ 7,798	\$ 142,695
Accumulated amortization	( 89,131)	( 6,222)	( 95,353)
Accumulated impairment	( 1,522)	-	( 1,522)
	\$ 44,244	\$ 1,576	\$ 45,820
<u>2024</u>			
January 1	\$ 44,244	\$ 1,576	\$ 45,820
Current amortization	( 7,177)	( 903)	( 8,080)
September 30	\$ 37,067	\$ 673	\$ 37,740
September 30, 2024			
Cost	\$ 134,897	\$ 7,798	\$ 142,695
Accumulated amortization	( 96,308)	( 7,125)	( 103,433)
Accumulated impairment	( 1,522)	-	( 1,522)
	\$ 37,067	\$ 673	\$ 37,740

1. The details of amortization of intangible assets are as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024
Administrative expenses	\$ 187	\$ 147
Research and development expenses	2,589	2,454
	<u>\$ 2,776</u>	<u>\$ 2,601</u>
	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Administrative expenses	\$ 618	\$ 649
Research and development expenses	7,584	7,431
	<u>\$ 8,202</u>	<u>\$ 8,080</u>

2. The Company obtained the gas detection and analysis patent and specialized technology from the related party Tricorntech Corporation in 2013 and 2017.

(IX) Other payables

	September 30, 2025	December 31, 2024	September 30, 2024
Salaries and bonuses payable	\$ 32,195	\$ 37,969	\$ 34,267
Employees' and directors' remuneration payable	1,325	15,057	-
Payable commission	23,581	17,652	18,280
Service expense payable	2,197	5,218	5,086
Others	12,997	9,867	8,097
	<u>\$ 72,295</u>	<u>\$ 85,763</u>	<u>\$ 65,730</u>

(X) Pension expense

In accordance with the "Labor Pension Act," the Company has established a retirement contribution allocation policy, which is applicable to employees that are natural citizens. For the employees who choose to apply the labor pension system under the "Labor Pension Act", the Company contributes 6% of the monthly salary to the individual accounts of the employees with the Labor Insurance Bureau. The pension payment for the employees is based on the individual pension accounts of the employees and the amount of accumulated income withdrawn as monthly pension or one-time lump sum.

For the three-month and nine-month periods ended September 30, 2025 and 2024, the Company recognized pension costs amounting to NT\$1,532, NT\$1,451, NT\$4,522, and NT\$4,328, respectively, in accordance with the above regulations governing the recognition of pension fund.

(XI) Share-based payment

1. For the nine-month periods ended September 30, 2025 and 2024, the Company's share-based

payment arrangements were as follows:

Type of agreement	Grant date	Quantity granted (Unit) (Note 1)	Duration of contract	Vested conditions
Employee stock option plan J	2016.12.30	2,000.00	10 years (Note 2)	1~4 years service
Employee stock option plan M	2021.07.01	2,464.20	10 years (Note 2)	1~4 years service
Employee stock option plan O	2022.06.06	506.80	10 years (Note 3)	1~4 years service
Restricted employee shares plan A	2024.08.30	600.00	4 years	1 to 4 years of service and performance conditions
Capital increase in cash reserved for employee subscription	2025.05.13	803.00	Not applicable	Vested immediately

Note 1: Each unit is entitled to 1,000 shares.

Note 2: Pursuant to the Company's Regulations Governing the Issuance of Employee Stock Option Certificates and Stock Subscription, employees who meet the conditions set by the Company may exercise the vested stock in advance with the consent of the Board of Directors when the Company applies for a public offering of stock or for Emerging Stock Board listing. The above conditions were agreed in December 2021 and the Chairman was authorized to handle the matter. The Chairman of the Company approved and announced the relevant early enforcement measures in December 2021, and set a batch base date between February and March 2022.

Note 3: The chairman of the Company approved the announcement of the relevant early enforcement measures in January 2023, and set the batch base date between January and February 2023.

- (1) All the share-based payment arrangements mentioned above are equity-settled.
- (2) For restricted employee shares issued by the Company, shares that do not meet the vesting conditions due to employee resignation are considered forfeited from the effective date of resignation. Such shares will be reclaimed and canceled by the Company in accordance with regulations. Before meeting the vesting conditions, holders of restricted shares are entitled to rights identical to common shares already issued by the Company, including but not limited to dividends, bonus shares, the distribution of capital surplus, and subscription rights to cash capital increases. Restricted shares granted but not yet vested cannot be sold, pledged, transferred, gifted, or otherwise disposed of, except through inheritance.

2. Details of the above share-based payment agreements are as follows:

- (1) Employee stock options

2025

2024

	Stock option Quantity (thousand shares)	Weighted average Performance price (NTD )	Stock option Quantity (thousand shares)	Weighted average Performance price (NTD )
Outstanding stock options at the beginning of January 1	480	\$ 15.00	729	\$ 15.00
Stock options exercised in the current period (Note)	( 29)	-	( 249)	15.00
Stock options waived and expired in the current period	( 87)	15.00	-	-
Number of outstanding shares at the end of September 30	<u>364</u>	15.00	<u>480</u>	15.00
Stock options exercisable as of September 30	<u>225</u>		<u>175</u>	

Note: From Three months ended September 30, 2025, a total of 88 thousand shares were exercised by employees. In accordance with applicable regulations, shares may be issued prior to applying to the competent authority for registration of the capital increase. Therefore, as of September 30, 2025, the registration of the capital increase for the 88 thousand shares arising from employees' exercise of stock options had not yet been completed.

## (2) Restricted employee shares

	2025	2024
	Quantity of stock options (thousand shares)	Quantity of stock options (thousand shares)
Unvested shares, January 1	580	-
Shares issued during the period	-	600
Shares forfeited during the period (Note)	( 38)	-
Shares vested during the period	( 115)	-
Unvested shares outstanding as of September 30	<u>427</u>	<u>600</u>

Note: In accordance with the Company's Regulations Governing the Issuance of Restricted Shares for Employees, any shares that do not meet the vesting conditions shall be repurchased by the Company without consideration and cancelled. As of September 30, 2025, the cancellation procedures for 38 thousand restricted shares for employees had not yet been completed.

3. The maturity date and exercise price of the outstanding stock options at the Statement of Financial Position date are as follows:

Approved date of issuance	Maturity date	September 30, 2025		December 31, 2024		September 30, 2024	
		Number of shares (Thousand shares)	Exercise price (NTD) (Note)	Number of shares (Thousand shares)	Exercise price (NTD) (Note)	Number of shares (Thousand shares)	Exercise price (NTD) (Note)
December 30, 2016	December 29, 2026	19	\$ 15.0	19	\$ 15.0	19	\$ 15.0
July 1, 2021	June 30, 2031	158	\$ 15.0	274	15.0	274	15.0
June 6, 2022	June 5, 2032	187	\$ 15.0	187	15.0	187	15.0

4. The Company used the Black-Scholes option evaluation model for the share-based payment transaction on the grant date to estimate the fair value of the stock option. Relevant information is as follows:

Type of agreement	Grant date	Stock price (NT\$)	Exercise price per share (NT\$)	Expected weighted average volatility	Expected duration (years)	Expected dividend yield	Risk-free interest rate	Fair value per share (NTD)
Employee stock option plan J	2016.12.30	16.44 (Note 1)	16.0	32.47% (Note 3)	6.25	0.00%	1.08%~1.14%	5.7319
Employee stock option plan M	2021.07.01	14.20 (Note 1)	16.0	31.04% (Note 3)	6.25	0.00%	0.31%~0.35%	3.8075
Employee stock option plan O	2022.06.06	15.63 (Note 1)	16.0	31.4% (Note 3)	6.25	0.00%	1.10%~1.15%	5.0229
Restricted employee shares plan A	2024.08.30	37.00 (Note 2)	-	NA	NA	NA	NA	37.00
Capital increase in cash reserved for employee subscription	2025.05.13	43.25 (Note 2)	32.0	44.91% (Note 4)	0.01	0.00%	1.22%	11.2539

Note 1: The Company was not a publicly traded company at the time of issuing the warrants, so the income from the cash flow method was used to calculate the weighted average stock price by taking into account liquidity discounts.

Note 2: The Company was an emerging stock when it issued restricted stock awards and reserved employee subscription rights for a cash capital increase.; therefore, the share price used was the closing price on the Emerging Stock Board as of the grant date.

Note 3: The expected volatility is estimated based on the standard deviation during a sample interval of the latest stock prices of TWSE/TPEX-listed companies in the same industry that is approximately equivalent to the expected duration of the stock option.

Note 4: The expected volatility is estimated based on the historical volatility of the underlying company's closing prices for one month following the grant date, after adjusting for the effect of ex-dividend adjustments during the period.

5. The remuneration costs recognized by the Company for the above equity-settled share-based payment transactions for the three-month and nine-month periods ended September 30, 2025 and 2024 were NT\$1,656, NT\$1,016, NT\$15,556, and NT\$1,388, respectively.

(XII) Provision for liabilities

The changes in warranty provisions are as follows:

	2025	2024
Balance as of January 1	\$ 9,334	\$ 6,837
Provisions for liabilities added in the current period	5,059	4,019
Provisions for liabilities used in the current period	(2,978)	(2,827)
Balance as of September 30	<u>\$ 11,415</u>	<u>\$ 8,029</u>

The warranty liability provisions of the Company are primarily associated with the sales of gas detection equipment and are estimated based on the historical warranty data of the product.

(XIII) Share capital

- As of September 30, 2025, the Company's registered capital and paid-in capital were NT\$1,200,000 and NT\$671,717, respectively, for 67,172 thousand shares with a par value of NT\$10 per share. The payment for the issued shares of the Company has been received.
- The reconciliation of the number of outstanding common shares at the beginning and end of the year is as follows:

	Unit: Thousand shares	
	2025	2024
January 1	\$ 61,064	\$ 60,235
Exercise of employee stock options (Note 1)	29	249
Issuance of restricted employee shares	-	600
Cancellation of restricted shares for employees		
Capital reduction (Note 2)	(38)	-
Capital increase in cash	<u>6,079</u>	<u>-</u>
September 30	<u>\$ 67,134</u>	<u>\$ 61,084</u>

Note 1: For the nine-month periods ended September 30, 2025, a total of 29 thousand shares were exercised by employees. In accordance with legal regulations, shares must be issued before the capital increase can be registered with the competent authority. The capital registration process was completed.

Note 2: In accordance with the Company's Regulations Governing the Issuance of Restricted Shares for Employees, any shares that do not meet the vesting conditions shall be repurchased by the Company without consideration and cancelled. As of September 30, 2025, the registration of the capital reduction for 38 thousand restricted shares for employees had not yet been completed.

3. On March 11, 2025, the Board of Directors resolved to conduct a capital increase through the issuance of 6,079 thousand new shares at a par value of NT\$10 per share in connection with the Company's plan for an initial public offering. The total proceeds to be raised will be determined based on the number of shares issued. The capital increase record date is May 19, 2025, and the registration change has been completed.
4. From Three months ended September 30, 2025, employees exercised stock options in respect of 88 thousand shares. In accordance with applicable regulations, shares may be issued prior to applying to the competent authority for registration of the capital increase. Therefore, as of September 30, 2025, the registration of the capital increase for the 88 thousand shares arising from employees' exercise of stock options had not yet been completed.

(XIV) Additional paid-in capital

1. Pursuant to the Company Act, the premium from the issuance of shares above par value and the capital surplus from the receipt of gifts may be used to offset losses. If the Company has no accumulated losses, new shares shall be issued or cash is to be paid in proportion to the original shares. The Company may not use the additional paid-in capital to cover the capital deficit when the surplus reserve is insufficient to cover it.
2. Changes in additional paid-in capital are as follows:

	2025				
	Issuance premium	Employee stock options	Restricted employee shares	Others	Total
January 1	\$ 53,941	\$ 1,789	\$ 15,660	\$ 1,367	\$ 72,757
Capital increase in cash	161,139	( 9,037)	-	-	152,102
Compensation cost for employee stock options	-	8,864	-	-	8,864
Execution of employee stock options	259	( 115)	-	-	144
Vested restricted shares for employees	3,100	-	( 3,100)	-	-
Forfeited restricted shares for employees	-	-	( 1,026)	-	( 1,026)
Return of employee trust shares upon invalidation	-	-	-	365	365
September 30	<u>\$218,439</u>	<u>\$ 1,501</u>	<u>\$ 11,534</u>	<u>\$ 1,732</u>	<u>\$233,206</u>

	2024				
	Issuance premium	Employee stock options	Restricted employee shares	Others	Total
January 1	\$ 51,713	\$ 2,215	\$ -	\$ 1,367	\$ 55,295
Compensation cost for employee stock options	-	464	-	-	464
Execution of employee stock options	2,228	( 982)	-	-	1,246
Issuance of restricted employee shares	-	-	16,200	-	16,200
September 30	<u>\$ 53,941</u>	<u>\$ 1,697</u>	<u>\$ 16,200</u>	<u>\$ 1,367</u>	<u>\$ 73,205</u>

(XV) Retained earnings

1. According to the Company's Articles of Incorporation, dividends and bonuses are distributed based on the percentage of shares held by each shareholder. If the Company has no earnings, it shall not distribute dividends and bonuses. The Company's annual earnings, if any, shall be distributed in the following order:
  - (1) Payment of taxes.
  - (2) Make up for accumulated losses.
  - (3) Appropriate 10% for the legal reserve, except when the legal reserve has reached the amount of the Company's total paid-in capital.
  - (4) Appropriate or reverse special reserve according to laws or regulations.
  - (5) The undistributed earnings accumulated in the previous year shall be set aside in whole or in part as the earnings available for distribution. The Board of Directors shall draft the earnings appropriation depending on the actual operating conditions. When the distribution method is via the issuance of new shares, the distribution can only be processed after submitting the plan to the shareholders meeting for resolution.
2. The Company is now in a growth period. The dividend policy adopted is the residual dividend policy. It will be determined based on the current and future investment environment, capital needs, domestic and international competition, capital budget, shareholders' interests and other factors. After retaining an appropriate amount based on the relevant operation needs, the distributable earnings shall be allocated to shareholders in the form of dividends, and the proportion of cash dividends distributed shall not be less than 10% of the total dividends. Cash dividends shall be approved by a special resolution of the Board of Directors and reported at the shareholders' meeting.

3. On May 28, 2025, the shareholders' meeting approved the 2024 earnings distribution proposal, and on May 27, 2024, the shareholders' meeting approved the 2023 earnings distribution proposal. Details are as follows:

	2024		2023	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
Legal reserve	\$ 9,332		\$ 9,312	
Shareholders' cash dividends (Note)	<u>67,170</u>	\$ 1.00	<u>48,188</u>	\$ 0.80
	<u>\$ 76,502</u>		<u>\$ 57,500</u>	

Note: The Board of Directors of the Company resolved on March 11, 2025, to distribute the 2024 earnings and authorized the Chairman to adjust the cash dividend distribution ratio. Should a change in the Company's capital affect the number of outstanding shares and necessitate a revision of the dividend rate, the Chairman is authorized to handle the matter with full discretion. The Company announced on MOPS on July 10, 2025, that due to a change in share capital affecting the number of outstanding shares, the dividend per share would be adjusted from NT\$1.10 to NT\$1.00.

(XVI) Operating revenue

	Three months ended	Three months ended
	September 30, 2025	September 30, 2024
Revenue from gas detection equipment	\$ 60,923	\$ 111,827
Maintenance and other service income	<u>58,614</u>	<u>44,968</u>
	<u>\$ 119,537</u>	<u>\$ 156,795</u>
	<u>For the nine months ended</u>	<u>For the nine months ended</u>
	<u>September 30, 2025</u>	<u>September 30, 2024</u>
Revenue from gas detection equipment	\$ 192,762	\$ 200,793
Maintenance and other service income	<u>143,424</u>	<u>107,422</u>
	<u>\$ 336,186</u>	<u>\$ 308,215</u>

## 1. Breakdown of revenue from contracts with customers

The Company's revenue comes from the provision of goods and services that are gradually transferred over time and transferred at a certain point in time. The revenue can be subdivided into the following:

Three months ended September 30, 2025	Revenue from gas detection equipment	Maintenance and other service income	Total
Taiwan	\$ 45,998	\$ 39,852	\$ 85,850
China	7,955	9,431	17,386
Japan	-	2,803	2,803
Singapore	3,286	2,726	6,012
North America	3,684	3,084	6,768
Malaysia	-	718	718
	\$ 60,923	\$ 58,614	\$ 119,537
Three months ended September 30, 2024	Revenue from gas detection equipment	Maintenance and other service income	Total
Taiwan	\$ 30,775	\$ 31,449	\$ 62,224
China	32,596	4,445	37,041
Japan	13,704	1,501	15,205
Singapore	-	2,048	2,048
North America	34,752	5,525	40,277
	\$ 111,827	\$ 44,968	\$ 156,795
For the nine months ended September 30, 2025	Revenue from gas detection equipment	Maintenance and other service income	Total
Taiwan	\$ 91,244	\$ 102,194	\$ 193,438
China	94,433	13,777	108,210
Japan	115	6,108	6,223
Singapore	3,286	7,374	10,660
North America	3,684	13,253	16,937
Malaysia	-	718	718
	\$ 192,762	\$ 143,424	\$ 336,186

For the nine months ended September 30, 2024	Revenue from gas detection equipment	Maintenance and other service income	Total
Taiwan	\$ 76,038	\$ 79,550	\$ 155,588
China	60,521	9,156	69,677
Japan	13,704	4,468	18,172
Singapore	-	4,733	4,733
North America	50,530	9,327	59,857
Malaysia	-	188	188
	\$ 200,793	\$ 107,422	\$ 308,215

## 2. Contract assets and liabilities

The contract assets and contract liabilities related to the revenue from contracts with customers recognized by the Company are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Contract assets:				
Contract assets - sale and installation of gas detection equipment	\$ 83,408	\$ 118,678	\$ 78,585	\$ 54,422
Contract assets - maintenance and other service income	37,737	51,532	40,322	45,293
	\$ 121,145	\$ 170,210	\$ 118,907	\$ 99,715
	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Contract liabilities:				
Contract assets - sale and installation of gas detection equipment	\$ 5,450	\$ 15,384	\$ 657	\$ 2,461
Contract assets - maintenance and other service income	4,814	5,017	2,535	12,049
	\$ 10,264	\$ 20,401	\$ 3,192	\$ 14,510

Recognized income of contract liabilities at the beginning of the period

	Three months ended September 30, 2025	Three months ended September 30, 2024
Opening balance of contract liabilities		
Recognized as income in the current period	\$ 269	\$ 503
	<u>For the nine months ended September 30, 2025</u>	<u>For the nine months ended September 30, 2024</u>
Opening balance of contract liabilities		
Recognized as income in the current period	\$ 17,270	\$ 12,979

(XVII) Other gains and losses

	Three months ended September 30, 2025	Three months ended September 30, 2024
Net foreign exchange gain (loss)	\$ 4,004	(\$ 3,926)
Gain on disposal of property, plant and equipment	48	-
Gain on lease modification	22	-
Gain on financial assets measured at fair value through profit or loss.	95	-
	<u>\$ 4,169</u>	<u>(\$ 3,926)</u>
	<u>For the nine months ended September 30, 2025</u>	<u>For the nine months ended September 30, 2024</u>
(Loss) Gain on net foreign currency exchange	(\$ 14,425)	\$ 7,309
Gain on disposal of property, plant and equipment	48	-
Gain on lease modification	22	-
Gain on financial assets measured at fair value through profit or loss	95	-
Others	-	( 80)
	<u>(\$ 14,260)</u>	<u>\$ 7,229</u>

(XVIII) Financial cost

	Three months ended September 30, 2025	Three months ended September 30, 2024
--	--	--

Interest expense:		
Interest on lease liabilities	\$ 115	\$ 77
	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024 日
Interest expense:		
Interest on lease liabilities	\$ 200	\$ 272
Borrowing interest	-	3
Others	-	1
	\$ 200	\$ 276

(XIX) Additional Information on Nature of Expenses

	Three months ended September 30, 2025	Three months ended September 30, 2024
Employee welfare expenses	\$ 46,787	\$ 48,307
Depreciation expense of property, plant and equipment (including right-of-use assets)	\$ 6,042	\$ 5,612
Amortization expense of intangible assets	\$ 2,776	\$ 2,601
	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Employee welfare expenses	\$ 150,490	\$ 130,014
Depreciation expense of property, plant and equipment (including right-of-use assets)	\$ 16,468	\$ 16,777
Amortization expense of intangible assets	\$ 8,202	\$ 8,080

(XX) Employee welfare expenses

	Three months ended September 30, 2025	Three months ended September 30, 2024
Salary expenses	\$ 37,489	\$ 39,650
Share-based compensation expense	1,658	1,016
Labor and health insurance premiums	3,245	2,689
Pension expense	1,532	1,451
Directors' Remuneration	675	1,835
Other employee expenses	2,188	1,666
	<u>\$ 46,787</u>	<u>\$ 48,307</u>
	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Salary expenses	\$ 113,326	\$ 107,596
Share-based compensation expense	15,558	1,388
Labor and health insurance premiums	9,646	8,691
Pension expense	4,522	4,328
Directors' Remuneration	1,865	2,975
Other employee expenses	5,573	5,036
	<u>\$ 150,490</u>	<u>\$ 130,014</u>

1. If the Company makes a profit in the current year (i.e. profit before tax and before the deduction of employees' and directors' remuneration), no less than 5% of the profit shall be distributed as employees' remuneration and no more than 3% as directors' remuneration. In the remuneration to employees as mentioned in the preceding paragraph, no less than 25% shall be distributed to entry-level employees. However, if the Company still has accumulated deficits, it shall reserve the amount to compensate. The remuneration to directors may only be paid in cash.
2. The remuneration to employees and remuneration to directors and supervisors referred to in the preceding paragraph shall be implemented by resolution of the board of directors with the attendance of more than two-thirds of the directors and with the consent of a majority of the directors present, and shall be reported to the shareholders' meeting.
3. The estimated amount of employee remuneration of the Company for the three-month and nine-month periods ended September 30, 2025 and 2024 was NT\$432, NT\$3,321 NT\$432, and NT\$3,391, respectively; the estimated amount of directors' remuneration was NT\$130, NT\$1,270, NT\$130, and NT\$1,270, respectively. These amounts were recorded under salary expenses. For the six-month periods ended June 30 and 2025, no employee or director remuneration was accrued due to losses incurred during the period.

4. The employees' and directors' remuneration for 2024, as approved by the Board of Directors on March 11, 2025, were consistent with the amounts recognized in the 2024 financial statements.

5. Information regarding employees' and directors' remuneration approved by the Board of Directors can be found on the Market Observation Post System (MOPS).

(XXI) Income tax

1. Income tax expenses

	Three months ended September 30, 2025	Three months ended September 30, 2024
Current income tax:		
Income tax on current income	\$ 334	\$ -
Imposing surtax on undistributed earnings	( 192)	656
Overestimated and underestimated income tax in previous years	-	-
Total income tax for the period	<u>142</u>	<u>656</u>
Deferred income tax:		
Original reversal of temporary difference	<u>3,741</u>	<u>-</u>
Income tax expenses	<u>\$ 3,883</u>	<u>\$ 656</u>
	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Current income tax:		
Income tax on current income	\$ 334	\$ -
Imposing surtax on undistributed earnings	432	1,587
Overestimated and underestimated income tax in previous years	( 521)	174
Total income tax for the period	<u>245</u>	<u>1,761</u>
Deferred income tax:		
Original reversal of temporary difference	<u>698</u>	<u>-</u>
Income tax expenses	<u>\$ 943</u>	<u>\$ 1,761</u>

2. The income tax on the Company's profit-seeking business has been approved by the tax collection authority up to 2023.

(XXII) Earnings per share

	Three months ended September 30, 2025		
	After-tax amount	Weighted average outstanding shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to common stock shareholders for the period	\$ 16,402	66,632	\$ 0.25
<u>Diluted earnings per share</u>			
Net income attributable to common stock shareholders for the period	16,402	66,632	
Employee stock options	-	216	
Restricted employee shares	-	346	
Remuneration to employees	-	9	
	<u>\$ 16,402</u>	<u>67,203</u>	<u>\$ 0.24</u>

	Three months ended September 30, 2024		
	After-tax amount	Weighted average outstanding shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to common stock shareholders for the period	\$ 35,699	60,327	\$ 0.59
<u>Diluted earnings per share</u>			
Net income attributable to common stock shareholders for the period	35,699	60,327	
Employee stock options	-	393	
Restricted employee shares	-	18	
Remuneration to employees	-	87	
	<u>\$ 35,699</u>	<u>60,825</u>	<u>\$ 0.59</u>

	Nine months ended September 30, 2025		
	After-tax amount	Weighted average outstanding shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to common stock shareholders for the period	\$ 2,818	63,523	\$ 0.05
<u>Diluted earnings per share</u>			
Net income attributable to common stock shareholders for the period	2,818	63,523	
Employee stock options	-	260	
Restricted employee shares	-	348	
Remuneration to employees	-	31	
	<u>\$ 2,818</u>	<u>64,192</u>	<u>\$ 0.04</u>

	Nine months ended September 30, 2024		
	After-tax amount	Weighted average outstanding shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to common stock shareholders for the period	\$ 35,922	60,266	\$ 0.60
<u>Diluted earnings per share</u>			
Net income attributable to common stock shareholders for the period	35,922	60,266	
Employee stock options	-	429	
Restricted employee shares	-	6	
Remuneration to employees	-	125	
	<u>\$ 35,922</u>	<u>60,826</u>	<u>\$ 0.59</u>

(XXIII) Supplementary information on cash flow

1. Investing activities involving partial cash payments only:

	<u>For the nine months ended September 30, 2025</u>	<u>For the nine months ended September 30, 2024</u>
Acquisition of property, plant and equipment	\$ 8,057	\$ 3,558
Add: Equipment payable at beginning of period	11	206
Less: Equipment payable at end of period	<u>(1,990)</u>	<u>(29)</u>
Cash paid during the current period	<u>\$ 6,078</u>	<u>\$ 3,735</u>

(XXIV) Changes in liabilities from financing activities

	<u>Lease liabilities</u>
January 1, 2025	\$ 10,543
Changes in cash flow from financing	( 8,525)
Other non-cash changes	( 417)
Increase in right-of-use assets	<u>19,260</u>
September 30, 2025	<u>\$ 20,861</u>

	<u>Long-term borrowings</u>	<u>Lease liabilities</u>	<u>Total in liabilities from financing activities</u>
January 1, 2024	\$ 1,667	\$ 21,153	\$ 22,820
Changes in cash flow from financing	<u>(1,667)</u>	<u>(7,936)</u>	<u>(9,603)</u>
September 30, 2024	<u>\$ -</u>	<u>\$ 13,217</u>	<u>\$ 13,217</u>

VII. Related party transactions

(I) Significant transactions with related parties

There were no significant transactions between the Company and its related parties for the nine-month periods ended September 30, 2025 and 2024.

(II) Remuneration of key management personnel

	<u>Three months ended September 30, 2025</u>	<u>Three months ended September 30, 2024</u>
Salary and short-term employee benefits	\$ 7,945	\$ 8,139
Share-based payment	<u>129</u>	<u>411</u>
	<u>\$ 8,074</u>	<u>\$ 8,550</u>
	<u>For the nine months ended September 30, 2025</u>	<u>For the nine months ended September 30, 2024</u>
Salary and short-term employee benefits	\$ 23,381	\$ 21,210
Share-based payment	<u>3,688</u>	<u>581</u>
	<u>\$ 27,069</u>	<u>\$ 21,791</u>

VIII. Pledged assets

None.

IX. Significant contingent liabilities and unrecognized contract commitments

None.

X. Significant disaster loss

None.

XI. Significant events after the balance sheet date

On November 12, 2025, the Company's Board of Directors resolved to complete the issuance of 88 thousand shares arising from employees' exercise of stock options.

XII. Others

(I) Capital management

The Company's capital management objective at the current stage is to ensure the continued operation of the Company, maintain the optimal capital structure to reduce the cost of capital, and provide shareholders with sustained and steady returns after the operation turns losses into profits in the future. In order to achieve the aforementioned goals, the Company maintains or adjusts the capital by means of, including but not limited to, cash capital increase, short-term financing from specific individuals or institutions, bank borrowings, issuance of corporate bonds, asset disposal to repay debts or enrich working capital, distribution of dividends, and capital reduction. The Company uses the debt/equity ratio to

monitor and manage capital. This ratio is calculated by dividing "net debt" by "total equity". The interim net debt is calculated as "total liabilities" less cash and cash equivalents, and the calculation of the "Total Equity" was taken from the "Total Equity" as reported in the Statement of Financial Position.

The Company's strategy for 2025 remained consistent with that of 2024, aiming to maintain a debt-to-equity ratio below 60%. As of September 30, 2025 and December 31 and September 30, 2024, the Company's total liabilities were less than the cash and cash equivalents, so the debt to equity ratio was 0.

(II) Financial instruments

1. Types of financial instruments

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets</u>			
Financial assets measured at fair value through profit or loss			
Financial assets designated at fair value through profit or loss	\$ 2	\$ -	\$ -
	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets measured at amortized cost			
Cash and cash equivalents	\$ 598,408	\$ 426,580	\$ 364,279
Financial assets measured at amortized cost	100,000	106,828	87,076
Notes receivable	1,218	8,172	-
Accounts receivable	74,878	52,256	75,812
Other receivables	1,288	995	992
Refundable deposits	7,110	5,561	5,491
	<u>\$ 782,902</u>	<u>\$ 600,392</u>	<u>\$ 533,650</u>

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities designated at fair value through profit or loss	\$ 10	\$ -	\$ -
Financial liabilities measured at amortized cost			
Accounts payable	33,521	27,560	10,783
Other payables	72,295	85,763	65,730
	<u>\$ 105,826</u>	<u>\$ 113,323</u>	<u>\$ 76,513</u>
Lease liabilities	<u>\$ 20,861</u>	<u>\$ 10,543</u>	<u>\$ 13,217</u>

## 2. Risk management policies

The Company's daily operations are affected by multiple financial risks, including market risk (consists of exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. The Company's overall risk management policy focuses on the unpredictability of the financial market and seeks to reduce potential adverse effects on the Company's financial position and financial performance.

## 3. Nature and extent of significant financial risk

### (1) Market risk

#### Exchange rate risk

A. The Company's business involves several non-functional currencies (the Company's functional currency is NTD), therefore it is affected by exchange rate fluctuations. The information on foreign currency assets and liabilities with significant exchange rate fluctuations is as follows:

				September 30, 2025		
				Foreign currency (In thousand)	Exchange rate	Book value (NT\$)
(Foreign currency: Functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: NTD	\$	2,052		30.445		\$ 62,472
EURO : NTD		362		35.770		12,962
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD: NTD	\$	869		30.445		\$ 26,458
				December 31, 2024		
				Foreign currency (In thousand)	Exchange rate	Book value (NT\$)
(Foreign currency: Functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: NTD	\$	2,997		32.785		\$ 98,252
EURO : NTD		504		34.140		17,209
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD: NTD	\$	459		32.785		\$ 15,034
				September 30, 2024		
				Foreign currency (In thousand)	Exchange rate	Book value (NT\$)
(Foreign currency: Functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: NTD	\$	3,510		31.65		\$ 111,078
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD: NTD	\$	522		31.65		\$ 16,533

B. The total amount of exchange (loss) gains (including realized and unrealized) recognized for the three-month and nine-month periods ended September 30, 2025 and 2024 (including realized and unrealized) amounted to NT\$4,004, (NT\$3,926), (NT\$14,425) and NT\$7,309, respectively.

C. The analysis of the Company's risk in the foreign currency market due to significant exchange rate fluctuations is as follows:

		For the nine months ended September 30, 2025		
		Sensitivity analysis		
		Range of change	Impact on gain or loss	Impact on other comprehensive income
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD: NTD	1%	\$ 625	\$ -
	EURO : NTD	1%	130	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD: NTD	1%	\$ 265	\$ -

		For the nine months ended September 30, 2024		
		Sensitivity analysis		
		Range of change	Impact on gain or loss	Impact on other comprehensive income
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD: NTD	1%	\$ 1,111	\$ -
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD: NTD	1%	\$ 165	\$ -

D. The Company enters into forward exchange contracts to hedge foreign exchange risk; however, hedge accounting is not applied, and such contracts are recognised as financial assets or financial liabilities at fair value through profit or loss. Please

refer to Note 6(2) for further details.

Price risk

- A. The equity instruments to which the Company is exposed to price risk are those classified as financial assets at fair value through profit or loss. In order to manage the price risk of equity instrument investment, the Company will diversify its investment portfolio according to the limits set by the Company.
- B. The Company primarily invests in equity instruments issued by domestic and foreign companies, and the prices of these instruments are affected by uncertainty regarding the future value of the underlying investments. If the prices of these equity instruments were to increase or decrease by 1%, with all other variables held constant, the effect on profit after tax arising from gains or losses on equity instruments at fair value through profit or loss for the periods from For the nine months ended September 30, 2025 and 2024 would be an increase or decrease of \$0 and \$0, respectively.

Cash flow and fair value interest rate risk

None.

(2) Credit risk

- A. The credit risk of the Company is the risk of financial losses to the Company due to the failure of customers or counterparties to perform their contractual obligations. It mainly derives from the accounts receivable that the counterparties are unable to repay according to the payment terms and is categorized as the contractual cash flow of debt instrument investment measured at amortized cost.
- B. The Company manages credit risk from the corporate perspective. According to the internal credit policy, each operating entity within the Company must manage each new customer and perform credit risk analysis on them before establishing the terms and conditions for payment and delivery. The internal risk control evaluates customers' credit quality by considering their financial status, past experience and other factors. Limits for individual risks are set in accordance with Approval Authority Management Regulations, and the use of credit limits is monitored regularly.
- C. The Company shall deem a contract to have been breached when the contract amount is overdue for more than 361 days according to the agreed payment terms.
- D. The Company adopts the following hypotheses under IFRS 9 as the basis for judging whether the credit risk of financial instruments has increased significantly since the initial recognition:  
When the contract amount is overdue for more than 30 days according to the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since the initial recognition.
- E. The indicators used by the Company to determine the credit impairment of debt instrument investment are as follows:

- (A) The issuer is in major financial difficulty, or the possibility of bankruptcy or other financial reorganizations is greatly increased;
  - (B) The active market for the financial assets disappears due to the issuer's financial difficulty;
  - (C) The issuer delays or fails to repay the interest or principal;
  - (D) Unfavorable changes in national or regional economic conditions that lead to the issuer's default.
- F. The Company classifies the accounts receivable of customers according to the characteristics of customer rating, and estimates the expected credit losses based on the loss rate method.
- G. The Company does not recognize any material allowance for notes receivable and contract assets. In estimating the allowance for accounts receivable, the Company incorporates forward-looking information and adjusts the loss rates based on historical and current data for specific periods. The loss rate method as of September 30, 2025 and December 31 and September 30, 2024 is as follows:

	Group A	Individual assessment	Total
<u>September 30, 2025</u>			
Expected loss rate	0.00-100%	0.00-100%	
Total book value	\$ 66,612	\$ 10,716	\$ 77,328
Allowance for loss	16	1,216	1,232
	Group A	Individual assessment	Total
<u>December 31, 2024</u>			
Expected loss rate	0.00-100%	0.00-100%	
Total book value	\$ 38,123	\$ 23,671	\$ 61,794
Allowance for loss	7	1,359	1,366
	Group A	Individual assessment	Total
<u>September 30, 2024</u>			
Expected loss rate	0.00-100%	0.00-100%	
Total book value	\$ 63,788	\$ 13,823	\$ 77,611
Allowance for loss	12	1,787	1,799

Group A: Customers other than those individually assessed. This group of customers are recognized for sound management, have a normal history of payment for transactions, and are rated as having good credit by the Company's internal credit evaluation. Our Company incorporates the consideration of the time value of money in the loss rate to estimate the allowance for doubtful accounts on receivables

H. The Company's simplified statement of changes in the loss allowance on accounts receivable is as follows:

	<u>2025</u>	<u>2024</u>
	Accounts receivable	Accounts receivable
January 1	\$ 1,366	\$ 66
Provision of (reversal) impairment loss	( 134)	1,733
September 30	<u>\$ 1,232</u>	<u>\$ 1,799</u>

(3) Liquidity risk

A. Cash flow forecast is carried out by each operating entity within the Company and summarized by the Company's Finance Department. The Finance Department of the Company monitors the forecast of the Company's working capital needs to ensure that there are sufficient funds to meet the operating needs.

B. The following table shows the Company's non-derivative financial liabilities, which are grouped according to the relevant maturity date. Non-derivative financial liabilities are analyzed based on the remaining period from the Statement of Financial Position date to the contractual maturity date. The contractual cash flows disclosed in the table below are the undiscounted amounts.

Non-derivative  
financial liabilities:

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
September 30, 2025				
Accounts payable	\$ 33,521	\$ -	\$ -	\$ -
Other payables	72,295	-	-	-
Lease liabilities	9,030	7,127	5,812	-

Non-derivative  
financial liabilities:

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
December 31, 2024				
Accounts payable	\$ 27,560	\$ -	\$ -	\$ -
Other payables	85,763	-	-	-
Lease liabilities	10,016	400	400	-

Non-derivative  
financial liabilities:

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
September 30, 2024				
Accounts payable	\$ 10,783	\$ -	\$ -	\$ -
Other payables	65,730	-	-	-
Lease liabilities	10,573	2,479	500	-

(III) Fair value information

1. The definitions of the levels in the fair value hierarchy used in the valuation techniques

for measuring financial and non-financial instruments are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair values of the Company's investments in derivatives with quoted prices in active markets are classified within this level.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair values of most of the derivatives in which the Company has invested are classified within this level.

Level 3: Unobservable inputs for the asset or liability. The fair values of certain derivatives in which the Company has invested are classified within this level.

2. The carrying amounts of the Company's financial instruments not measured at fair value—including cash and cash equivalents, financial assets measured at amortized cost—current, notes receivable, accounts receivable, other receivables, refundable deposits, accounts payable, and other payables—approximate their fair values.
3. The Company had no financial and non-financial instruments measured at fair value as of December 31 and September 30, 2024.
4. For financial and non-financial instruments measured at fair value, the Company classifies them based on the nature, characteristics and risks of the assets and liabilities and the level of the fair value hierarchy. The relevant information is as follows:

- (1) The relevant information classified by the Company according to the nature of the assets and liabilities is as follows:

September 30, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets				
measured at fair value				
through profit or loss				
Derivatives	\$ -	\$ 2	\$ -	\$ 2
<b>Liabilities</b>				
<u>Recurring fair value</u>				
Financial liabilities at				
fair value through				
profit or loss				
Derivatives	\$ -	\$ 10	\$ -	\$ 10

There were no such transactions as of September 30, 2024.

- (2) The valuation techniques and assumptions used by the Company in measuring fair

value are summarized as follows:

Forward exchange contracts are generally valued using current forward exchange rates.

5. There were no transfers into or out of Level 3 as of September 30, 2025.

### XIII. Supplementary disclosures

#### (I) Information about important transactions

1. Loaning of funds to others: None.
2. Making endorsements/guarantees for others: None.
3. Material securities held at the end of the period (excluding investments in subsidiaries, associates, and interests in joint ventures): None.
4. The amount of purchases from and sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital or more: None.
5. Accounts receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital or more: None.
6. The business relationship and material transactions between the parent company and its subsidiaries: None.

#### (II) Information on re-invested businesses

The name and location of the investee company and other relevant information (excluding investee companies in Mainland China): None.

#### (III) Investment information in Mainland China

1. Basic information: None.

Note: On March 31, 2021, the Company's board of directors resolved to establish a subsidiary, Tricorntech (Shanghai) Co., Ltd., which is 100% held by the Company. As of the date of the financial statements, the Company has not yet remitted the investment funds, and the subsidiary has not yet commenced operations.

2. Major transactions with investee companies in Mainland China directly or indirectly through enterprises in a third region: None.

#### XIV. Segment Information

(I) General information

The Company only operates in a single industry and the operating decision-maker of the Company has identified the Company as a reportable department based on the overall performance assessment and resource allocation.

(II) Segment Information

The Company operates as a single reportable segment; therefore, the reportable segment information is the same as the financial statements.

(III) Reconciliation information of segment profit and loss

The Company's net income (loss) before tax reported to the chief operating decision maker is consistent with the revenue and expenses in the income statement; therefore, the adjustment items for net income (loss) before tax are the same as those in the income statement.