

Cryomax Cooling System Corp. and Subsidiaries
Consolidated Financial Statements and
Independent Auditors' Report
2025 and 2024
(Stock code: 1587)

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

Cryomax Cooling System Corp. and Subsidiaries

2025 and 2024 Consolidated Financial Statements and Independent Auditors' Report

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Cryomax Cooling System Corp.

Representation Letter on Consolidated Financial Statements of Affiliates

Considering that the companies to be included into the consolidated financial statements of affiliates under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under IFRS 10 in 2025 (from January 1, 2025 to December 31, 2025), and the related information to be disclosed in the consolidated financial statements of affiliates was already disclosed in said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliates were prepared separately.

We hereby declare

Company name: Cryomax Cooling System Corp.

Person in Charge: LIU, YEN-TI

March 10, 2026

Independent Auditors' Report

(115)Cai-Shen-Bao-Zi No.25005305

To Cryomax Cooling System Corp.:

Audit opinion

We have reviewed the accompanying consolidated balance sheets of Cryomax Cooling System Corp. and Subsidiaries (collectively, the “Group”) as of December 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audit and the audit reports of other accountants (refer to the Other Matters section), the aforementioned consolidated financial statements were prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations, and SIC interpretations approved and issued by the Financial Supervisory Commission. Accordingly, they present fairly the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and cash flows for the years then ended.

Basis of audit opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under such standards are further described in the “CPA’s responsibility for the audit of the consolidated financial statements” section in this report. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and with other responsibilities of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China performed. 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 2025 consolidated financial statements. These matters were addressed in the content of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

The key audit matters for the Group's separate financial statements in 2025 are described as follows:

Accuracy of the ending of sales revenue

Description of matters

For the accounting policy of the revenue from sales, please refer to note 4(25) to the consolidated financial statements; for the description of the accounting titles of the revenue from sales, please refer to note 6(18) to the consolidated financial statements. The operating revenue of the consolidated financial statements from January 1 to December 31, 2025 was NTD 2,651,919 thousand.

The Group's operating revenue is primarily derived from the manufacturing and sales of metal water tank products for various vehicles. Sales to customers are made under a variety of transaction terms, based on agreements with individual customers. Revenue is recognized when control of the goods is transferred to the customer, typically upon shipment. Whether control of the goods has transferred prior to the end of the reporting period directly affects the timing of revenue recognition in the consolidated financial statements. As such, we consider the accuracy of revenue cut-off to be one of the key audit matters for the current year.

The corresponding audit procedures

The main audit procedures that we have implemented are as follows:

1. We obtained an understanding of and evaluated the internal controls related to the timing of sales revenue recognition within the Group and tested the effectiveness of those controls.

2. We also performed cut-off testing on sales transactions occurring around the end of the reporting period to assess the accuracy of the timing of revenue recognition.

Evaluation of the provision for valuation loss on inventory

Description of matters

Please refer to note 4(12) of the consolidated financial statements for the accounting policies of inventory; note 5(2) of the consolidated financial statements for the important accounting estimates and assumptions for inventory valuation; note 6(4) of the consolidated financial statements for the description of inventory accounts; as of December 31, 2025, the balance of inventory cost and allowance for valuation loss were NTD 974,984 thousand and NTD 76,324 thousand, respectively.

The main business of the Group is to manufacture and sell metal water storage tanks for various vehicles. Considering the life span of the vehicles and the product market has the characteristics of small quantities and diversified products, in order to obtain market share, the Company needs to prepare sufficient inventory items, resulting in the risk of inventory devaluation or obsolescence is higher. The inventories are measured at the lower of cost or net realizable value. The inventory valuation takes into account the normal consumption, outdatedness, or change in selling price, and the inventory valuation loss is recognized accordingly. As the consideration of the net realizable value of inventory and the adjustment of obsolete inventory of more than specific period involves the subjective judgment of the management, the amount of provision for valuation loss of inventory has significant impact on the financial statements, the accountant listed the provision for valuation loss of inventory as one of the most important matters in the audit of the current year.

The corresponding audit procedures

The main audit procedures that we have implemented are as follows:

1. Understanding and evaluating the reasonableness of the Group's inventory evaluation policy.
2. Reviewed the Group's annual inventory count plan and participated in the physical inventory count to assess the effectiveness of management's procedures for identifying and controlling obsolete and slow-moving inventory.

3. Obtained reports used to assess the net realizable value of inventory, verified the completeness of these reports, and tested the accuracy of the net realizable value and related calculations, in order to evaluate the reasonableness of the Group's allowance for inventory valuation losses.
4. Obtained the inventory aging report and verified supporting documents for inventory movement dates to ensure the aging classifications were accurate and consistent with the Group's policies.

Other matters - Audits by other CPAs

Some subsidiaries included in the consolidated financial statements of the Group were audited by other independent auditors and not by us. Accordingly, our opinion on the consolidated financial statements, insofar as it relates to the amounts and disclosures in Note 13 concerning these subsidiaries, is based solely on the audit reports of those other auditors. As of December 31, 2025 and 2024, the total assets of these investee companies amounted to NTD 682,320 thousand and NTD 550,344 thousand, representing 18.38% and 16.18% of total consolidated assets, respectively. For the years ended December 31, 2025 and 2024, their operating revenues amounted to NTD 4,334 thousand and NTD 89 thousand, respectively, accounting for 0.16% of the consolidated operating revenue in both years.

Other matters – Parent Company Only Financial Statements

Cryomax Cooling System Corp. has also prepared its parent company only financial statements for the years ended December 31, 2025 and 2024, for which we have issued an unqualified audit opinion with an “Other Matters” paragraph for reference.

Responsibility of the management and governance unit for the consolidated financial statements

The management was responsible for preparation of the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations, and SIC interpretations that were approved and released by the Financial Supervisory Commission and maintaining the necessary internal control related to preparation of the consolidated

financial statements to ensure that the consolidated financial statements were free of material misstatements due to fraud or error.

In preparing the consolidated financial statements, the management's responsibilities include 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.

The governance unit of the Group (including the Audit Committee) is responsible for supervising the financial reporting process.

CPA responsibility for the audit of the financial statements

We have audited the consolidated financial statements for the purpose of obtaining reasonable assurance about whether the consolidated financial statements as a whole were free of material misstatements due to fraud or error and issuing an audit report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists in the consolidated financial statements. Misstatements can arise from fraud or error. If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the consolidated financial statements, the misstatements were deemed as material.

As part of an audit in accordance with ROC Audit Standard, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following tasks:

1. Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error; design and execute appropriate countermeasures for the risks assessed; and obtain sufficient and appropriate audit evidences as the basis for the audit opinions. 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. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal control of the Group.
3. Evaluate the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and related disclosures made.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in the consolidated financial statements for the users to pay attention to relevant disclosure therein, or amend our audit opinions when such disclosure was inappropriate. Our conclusion was drawn based on the audit evidence acquired as of the date of this audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. We evaluated the overall presentation, structure and contents of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements presented relevant transactions and events fairly.
6. We acquired sufficient and appropriate audit evidence with respect to the financial information of the entities comprising the Group to provide opinions toward the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

The matters for which we communicated with the governance unit include the planned audit scope and time, as well as major audit findings (including the significant deficiencies of internal control identified during the audit.)

We also provided a declaration of independence to the governance unit, which assured that we complied with the requirements related to independence in the R.O.C. Norm of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures) which we deemed

to be likely to cause a impact on the independence of CPAs to the governance unit.

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

PricewaterhouseCoopers Taiwan

Lai, Chih-Wei

Certified Public Accountant:

Wang, Yu-Chuan

Financial Supervisory Commission

Approval Letter Jin-Guan-Zheng-Shen-Zi No.1120348565

Jin-Guan-Zheng-Shen-Zi No. 1020028992

March 10, 2026

Cryomax Cooling System Corp. and Subsidiaries
Consolidated Balance Sheets
December 31 of 2025 and 2024

Unit: NTD thousand

Assets	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalent	6(1)	\$ 442,448	12	\$ 453,401	13
1110	Financial assets measured at fair value through profit or loss - current	6(2)	18,090	1	14,888	-
1150	Notes receivable, net	6(3)	46,278	1	48,967	1
1170	Accounts receivable, net	6(3)	671,204	18	474,621	14
1180	Accounts receivable – related parties, net	7(2)	77,931	2	57,862	2
130X	Inventory	6(4)	898,660	24	769,473	23
1470	Other current assets	6(5)	163,224	4	126,336	4
11XX	Total current assets		<u>2,317,835</u>	<u>62</u>	<u>1,945,548</u>	<u>57</u>
Non-current assets						
1600	Property, plant and equipment	6(6) and 8	1,231,896	33	1,229,014	36
1755	Right-of-use assets	6(7) and 8	71,772	2	117,943	3
1840	Deferred income tax assets	6(24)	72,861	2	86,061	3
1900	Other non-current assets	6(13)	18,036	1	22,328	1
15XX	Total non-current assets		<u>1,394,565</u>	<u>38</u>	<u>1,455,346</u>	<u>43</u>
1XXX	Total assets		<u>\$ 3,712,400</u>	<u>100</u>	<u>\$ 3,400,894</u>	<u>100</u>

(continued)

Cryomax Cooling System Corp. and Subsidiaries
Consolidated Balance Sheets
December 31 of 2025 and 2024

Unit: NTD thousand

Liability and equity	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term loans	6(8) and 8	\$ 1,062,164	28	\$ 842,453	25
2110	Short-term notes payable	6(9)	59,930	2	-	-
2130	Contractual liabilities – current	6(18)	28,725	1	9,256	-
2150	Notes payable		130	-	-	-
2170	Accounts payable		457,510	12	312,369	9
2200	Other payables	6(10)	145,381	4	136,293	4
2220	Other account payables – related parties	7(2)	995	-	1,522	-
2230	Current income tax liabilities		4,091	-	5,944	-
2280	Lease liabilities – current		33,448	1	45,439	1
2320	Long-term liabilities due within one year or one business cycle	6(12)	69,021	2	94,329	3
2399	Other current liabilities – other	6(11)(18)	39,049	1	33,020	1
21XX	Total of current liabilities		<u>1,900,444</u>	<u>51</u>	<u>1,480,625</u>	<u>43</u>
Non-current liabilities						
2540	Long-term loans	6(12) and 8	150,005	4	219,622	6
2570	Deferred income tax liabilities	6(24)	68,948	2	85,958	3
2580	Lease liabilities - non-current		22,095	1	57,227	2
25XX	Total non-current liabilities		<u>241,048</u>	<u>7</u>	<u>362,807</u>	<u>11</u>
2XXX	Total liabilities		<u>2,141,492</u>	<u>58</u>	<u>1,843,432</u>	<u>54</u>
Shareholders' equities						
Share capital						
3110	Common Share Capital	6(15)	800,556	22	800,556	24
Capital reserve						
3200	Capital reserve	6(16)	546,969	14	546,969	16
Retained earnings						
3310	Legal Capital Reserve	6(17)	137,984	4	137,984	4
3320	Special reserve		50,087	1	50,470	1
3350	Unappropriated earnings		63,099	2	71,570	2
Other equities						
3400	Other equities		(27,787)	(1)	(50,087)	(1)
3500	Treasury stock	6(15)	-	-	-	-
3XXX	Total equities		<u>1,570,908</u>	<u>42</u>	<u>1,557,462</u>	<u>46</u>
Material events after the reporting period						
3X2X	Total liabilities and equity		<u>\$ 3,712,400</u>	<u>100</u>	<u>\$ 3,400,894</u>	<u>100</u>

The enclosed notes to the consolidated financial statements are an integral part of this consolidated financial statement. Please refer to the enclosed notes.

Chairman: LIU, YEN-TI

Manager: LIU, YEN-TI

Accounting Supervisor: HSU, NAI-LUNG

Cryomax Cooling System Corp. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: NTD thousand
(except Earnings (loss) Per Share expressed in NTD)

	Item	Notes	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	6(18) and 7(2)	\$ 2,651,919	100	\$ 2,154,167	100
5000	Operating cost	6(4)(23)	(2,146,632)	(81)	(1,702,330)	(79)
5900	Gross operating profit		<u>505,287</u>	<u>19</u>	<u>451,837</u>	<u>21</u>
	Operating expense	6(23) and 7(2)				
6100	Marketing expense		(252,767)	(9)	(276,607)	(13)
6200	Administrative expense		(140,525)	(5)	(156,173)	(7)
6300	R&D expenses		(46,426)	(2)	(50,502)	(3)
6000	Total operating expenses		(439,718)	(16)	(483,282)	(23)
6900	Operating profit (loss)		<u>65,569</u>	<u>3</u>	<u>31,445</u>	<u>(2)</u>
	Non-operating income and expenses					
7100	Interest income	6(19)	7,726	-	6,767	-
7010	Other revenue	6(20)	7,000	-	7,839	1
7020	Other gains (losses)	6(21)	6,347	-	12,970	1
7050	Financial cost	6(22)	(38,028)	(1)	(37,168)	(2)
7000	Total non-operating revenues and expenses		(16,955)	(1)	(9,592)	-
7900	Net profit (loss) before tax		<u>48,614</u>	<u>2</u>	<u>41,037</u>	<u>(2)</u>
7950	Income tax (expenses) benefits	6(24)	(18,702)	(1)	7,235	1
8200	Net profit (loss) for the period		<u>\$ 29,912</u>	<u>1</u>	<u>(\$ 33,802)</u>	<u>(1)</u>
	Other comprehensive income (net amount)					
	Titles not reclassified as profit or loss					
8311	Re-measurement of defined benefit plan	6(13)	\$ 1,576	-	\$ 2,870	-
8349	Income tax related to items not subject to reclassification	6(24)	(315)	-	(574)	-
8310	Total items not reclassified as profit or loss		<u>1,261</u>	<u>-</u>	<u>2,296</u>	<u>-</u>
	Titles potentially reclassified as profit or loss subsequently					
8361	Exchange differences from translation of foreign financial statements		27,875	1	479	-
8399	Income tax related to titles potentially being reclassified	6(24)	(5,575)	-	(96)	-
8360	Total amount of titles potentially reclassified as profit or loss subsequently		<u>22,300</u>	<u>1</u>	<u>383</u>	<u>-</u>
8300	Other comprehensive income (net amount)		<u>\$ 23,561</u>	<u>1</u>	<u>\$ 2,679</u>	<u>-</u>
8500	Total comprehensive income for the period		<u>\$ 53,473</u>	<u>2</u>	<u>(\$ 31,123)</u>	<u>(1)</u>
	Net income attributable to:					
8610	Owners of the parent company		<u>\$ 29,912</u>	<u>1</u>	<u>(\$ 33,802)</u>	<u>(1)</u>
	Total comprehensive income attributable to:					
8710	Owners of the parent company		<u>\$ 53,473</u>	<u>2</u>	<u>(\$ 31,123)</u>	<u>(1)</u>
	Earnings (losses) Per Share (NT\$)	6(25)				
9750	Basic		<u>\$</u>	<u>0.37</u>	<u>(\$</u>	<u>0.47)</u>
9850	Diluted		<u>\$</u>	<u>0.37</u>	<u>(\$</u>	<u>0.47)</u>

The enclosed notes to the consolidated financial statements are an integral part of this consolidated financial statement. Please refer to the enclosed notes.

Chairman: LIU, YEN-TI

Manager: LIU, YEN-TI

Accounting Supervisor: HSU, NAI-LUNG

Cryomax Cooling System Corp. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: NTD thousand

Equity attributable to owners of the parent company											
Notes	Capital reserve					Retained earnings			Exchange differences from translation of foreign financial statements	Treasury stock	Total equity
	Common Share Capital	Common shares	Trading of treasury stock	Employee stock options	Others	Legal Capital Reserve	Special reserve	Unappropriated earnings			
<u>2024</u>											
Balance as of January 1, 2024	\$ 686,244	\$ 353,570	\$ 4,790	\$ -	\$ 17,718	\$ 133,847	\$ 50,296	\$ 176,011	(\$ 50,470)	\$ -	\$ 1,372,006
Net loss for the period	-	-	-	-	-	-	-	(33,802)	-	-	(33,802)
Other comprehensive income for the period	-	-	-	-	-	-	-	2,296	383	-	2,679
Total comprehensive income for the period	-	-	-	-	-	-	-	(31,506)	383	-	(31,123)
2023 Appropriations and Distribution of Earnings:	6(17)										
Legal Capital Reserve		-	-	-	-	4,137	-	(4,137)	-	-	-
Special reserve		-	-	-	-	-	174	(174)	-	-	-
Cash dividend		-	-	-	-	-	-	(34,312)	-	-	(34,312)
Stock dividends		34,312	-	-	-	-	-	(34,312)	-	-	-
Share-based payment for remuneration cost	6(14)	-	-	12,641	-	-	-	-	-	-	12,641
Repurchase of treasury stock	6(15)	-	-	-	-	-	-	-	-	(6,179)	(6,179)
Transfer of treasury stock to employees	6(14)(15)(16)	-	-	5,653	(5,653)	-	-	-	-	6,179	6,179
Capital increase in cash	6(15)	80,000	165,238	-	(6,988)	-	-	-	-	-	238,250
Balance as of December 31, 2024		<u>\$ 800,556</u>	<u>\$ 518,808</u>	<u>\$ 10,443</u>	<u>\$ -</u>	<u>\$ 17,718</u>	<u>\$ 137,984</u>	<u>\$ 50,470</u>	<u>\$ 71,570</u>	<u>(\$ 50,087)</u>	<u>\$ 1,557,462</u>
<u>2025</u>											
Balance as of January 1, 2025		\$ 800,556	\$ 518,808	\$ 10,443	\$ -	\$ 17,718	\$ 137,984	\$ 50,470	\$ 71,570	(\$ 50,087)	\$ 1,557,462
Net income for the period		-	-	-	-	-	-	29,912	-	-	29,912
Other comprehensive income for the period		-	-	-	-	-	-	1,261	22,300	-	23,561
Total comprehensive income for the period		-	-	-	-	-	-	31,173	22,300	-	53,473
2024 Appropriations and Distribution of Earnings:	6(17)										
Reversal of special reserve		-	-	-	-	-	(383)	383	-	-	-
Cash dividend		-	-	-	-	-	-	(40,027)	-	-	(40,027)
Balance as of December 31, 2025		<u>\$ 800,556</u>	<u>\$ 518,808</u>	<u>\$ 10,443</u>	<u>\$ -</u>	<u>\$ 17,718</u>	<u>\$ 137,984</u>	<u>\$ 50,087</u>	<u>\$ 63,099</u>	<u>(\$ 27,787)</u>	<u>\$ 1,570,908</u>

The enclosed notes to the consolidated financial statements are an integral part of this consolidated financial statement. Please refer to the enclosed notes.

Chairman: LIU, YEN-TI

Manager: LIU, YEN-TI

Accounting Supervisor: HSU, NAI-LUNG

Cryomax Cooling System Corp. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NTD thousand

	Notes	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash flow from operating activities</u>			
Net profit (loss) before tax for the period		\$ 48,614	(\$ 41,037)
Adjustments			
Income and expenses			
Depreciation expense	6(6)(23)	119,291	131,752
Depreciation expenses - right-of-use assets	6(7)(23)	42,865	44,110
Amortization expense	6(23)	323	491
Expected credit impairment gain	12(2)	(7)	-
Net loss (gain) from financial assets at fair value through loss	6(2)(21)	2,509	(4,737)
Interest expense	6(22)	34,606	31,996
Interest expense - lease liabilities	6(7)(22)	3,422	5,172
Interest income	6(19)	(7,726)	(6,767)
Dividend income	6(20)	(600)	(496)
Profit from disposal of property, plant, and equipment	6(21)	(2,054)	(733)
Unrealized(profit) loss from translation of foreign currencies		(2,565)	(5,745)
Share-based payment for remuneration cost	6(14)	-	12,641
Changes in operating assets/ liabilities			
Net changes in assets related to operating activities			
Financial assets mandatorily measured at fair value through profit or loss		(5,711)	-
Notes receivable		2,689	3,160
Accounts receivable		(193,181)	(164,750)
Accounts receivable – related parties		(17,816)	(5,065)
Inventory		(129,187)	(40,806)
Other current assets		(9,989)	(29,152)
Other non-current assets		(4,159)	(2,862)
Net changes in liabilities related to operating activities			
Contractual liabilities		19,469	4,523
Notes payable		130	(120)
Accounts payable		145,320	71,013
Accounts payable – related parties		-	(451)
Other payables		13,448	(2,611)
Other account payables – related parties		(527)	(4,537)
Other current liabilities		6,029	18,100
to other non-current liabilities		-	(1,780)
Cash inflows from operations		65,193	11,309
Interest received		7,726	6,767
Dividend received		600	496
Interest paid		(36,720)	(38,544)
Income tax paid		(19,124)	(15,751)
Net cash inflow (outflow) from operation activities		17,675	(35,723)

(continued)

Cryomax Cooling System Corp. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NTD thousand

	Notes	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash flow from investing activities</u>			
Acquisition of property, plant, and equipment	6(26)	(\$ 98,973)	(\$ 122,637)
Disposal of property, plant, and equipment		14,013	9,368
Increase in guarantee deposits paid		(647)	(1,489)
Decrease in guarantee deposits paid		962	487
Net cash outflow from investing activities		(84,645)	(114,271)
<u>Cash flow from financing activities</u>			
Increase in short-term loans	6(27)	526,357	628,941
Decrease in short-term loans	6(27)	(309,774)	(660,686)
Increase in short-term notes payable	6(27)	60,000	-
Decrease in short-term notes payable	6(27)	-	(60,000)
Repayment of long-term loans	6(27)	(94,925)	(58,700)
Repayment of lease liabilities	6(7)(27)	(43,535)	(42,077)
Distribution of cash dividends	6(17)		
	(27)	(40,027)	(34,312)
Capital increase in cash	6(15)	-	238,250
Cost of repurchasing treasury stock	6(15)	-	(6,179)
Consideration for transfer of treasury stock to employees	6(15)	-	6,180
Net cash inflow from financing activities		98,096	11,417
Impact of exchange rate		(42,079)	38,089
Decrease in cash and cash equivalents in the current period		(10,953)	(100,488)
Opening balance of cash and cash equivalents	6(1)	453,401	553,889
Closing balance of cash and cash equivalents	6(1)	\$ 442,448	\$ 453,401

The enclosed notes to the consolidated financial statements are an integral part of this consolidated financial statement.
Please refer to the enclosed notes.

Chairman: LIU, YEN-TI

Manager: LIU, YEN-TI

Accounting Supervisor: HSU, NAI-LUNG

Cryomax Cooling System Corp. and Subsidiaries
Notes to the Consolidated Financial Statements
2025 and 2024

Unit: NTD thousand
(unless otherwise specified)

I. Company history

Cryomax Cooling System Corp. (hereinafter referred to as the "Company") was established in the Republic of China. The Company's and its subsidiaries' (hereinafter referred to as the "Group") main business items are the manufacturing, processing, trading and import/export of metal water storage tanks for various vehicles.

II. Approval date and procedures of the financial statements

The Consolidated Financial Statements were disclosed by the Board of Directors meeting dated March 10, 2026.

III. Application of new and revised standards and interpretations

(I) The impact of the adoption of newly issued or amended International Financial Reporting Standards approved and announced by the Financial Supervisory Commission (hereinafter referred to as the "FSC").

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of the International Financial Reporting Standards (IFRS) endorsed and issued into effect by the FSC for application in 2025:

<u>New / Amended / Revised Standards and Interpretations</u>	<u>Effective date announced by the IASB</u>
Amendment to IAS No. 21 "Lack of Convertibility."	January 1, 2025

The Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance.

(II) The impact of not adopting the new and amended IFRSs that have been approved by the FSC has not yet been adopted.

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) recognized by the FSC for application in 2026:

<u>New / Amended / Revised Standards and Interpretations</u>	<u>Effective date announced by the IASB</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendment to IFRS 9 and IFRS 7 "Contracts for Renewable Electricity"	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9— Comparative Information"	January 1, 2023
"Annual Improvements to IFRS Standards – Cycle 11"	January 1, 2026

The Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance.

(III) The impact of the IFRSs that have been issued by the IASB but have not yet been approved by the FSC:

The following table sets forth the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) but have not yet been approved by the FSC:

<u>New / Amended / Revised Standards and Interpretations</u>	<u>Effective date announced by the IASB</u>
Amendments to IFRS No. 10 and IAS No. 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.”	To be decided by IASB
IFRS 18 “Presentation and Disclosure of Financial Statements”	January 1, 2027 (Note)
IFRS 19 “Disclosure of Subsidiaries without Public Accountability”	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Currency”	January 1, 2027

Note: In a press release dated September 25, 2025, the FSC announced that IFRS 18 (hereinafter referred to as IFRS 18) became applicable to publicly listed companies from 2028 onwards; in addition, companies may apply IFRS 18 earlier if the FSC approves its use.

Unless any of the following applies, the Group has assessed that the standards and interpretations above have no significant impact on the Group's financial position and performance, and will disclose the relevant amount when the evaluation is completed.

IFRS 18 “Presentation and Disclosure of Financial Statements”

IFRS 18 “Presentation and Disclosure of Financial Statements” has replaced IAS 1 and updated the structure of the statement of comprehensive income, and added the disclosure of management performance measurement, and strengthened the summary and division of the use in the main financial statements and notes.

IV. Summary of significant accounting policies

The main accounting policies adopted for the preparation of the consolidated financial statements are as follows. These policies are applicable to all reporting periods.

(I) Declaration of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC Interpretations and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission (collectively referred herein as the “IFRSs”).

(II) Basis of preparation

1. Except for the following important items, the consolidated financial statements are prepared on the historical cost basis:
 - (1) Financial assets and liabilities measured at fair value through profit or loss (including derivatives)
 - (2) Recognized as defined benefit assets based on the net amount of retirement fund assets less the present value of defined benefit obligations.
2. The preparation of financial reports in conformity with the IFRSs which requires the use of some important accounting estimates. In the application of the Group's accounting policies, the management also needs to use its judgment, involving items with high

judgment or complexity, or items involving major assumptions and estimates of the consolidated financial statements. Please refer to Note 5 for details.

(III) Basis for consolidation

1. Principles of preparation of consolidated financial statements

- (1) The Group includes all subsidiaries in the consolidated financial statements. A subsidiary is an entity controlled by the Group. When the Group is exposed to the variable remuneration participated by the entity or is entitled to the right of such return, and is capable to affect the remuneration through its rights over the entity, the Group controls the entity. The subsidiary is included in the consolidated financial statements from the date the Group obtains control, and the merger is terminated on the date the Group loses control.
- (2) Transactions, balances and unrealized gains or losses between the Group companies have been eliminated. The accounting policies of the subsidiaries have been adjusted where necessary to make them consistent with the policies adopted by the Group.
- (3) The profit and loss and other comprehensive income are attributed to the owners of the parent company and non-controlling interests; the total amount of comprehensive income is also attributed to the owners of the parent company and non-controlling interests, even if it results in a loss of the balance of non-controlling interests.
- (4) If the change in the shareholding in subsidiaries does not result in the loss of control (the transaction with non-controlling interests), it is treated as an equity transaction, i.e. it is also regarded as a transaction with the owner. The difference between the adjustment Amount non-controlling interests and the of fair value of the consideration paid or received is recognized directly in equity.
- (5) When the Group loses control over a subsidiary, the remaining investment in the former subsidiary is re-measured at fair value, and is used as the fair value of the financial assets initially recognized or the cost of the investment in the affiliated company or joint venture initially recognized. The difference between the fair value and the carrying amount is recognized as the profit or loss for the current period. For all amounts related to the subsidiary that have been previously recognized in other comprehensive income, the accounting treatment is the same as the basis for the Group's direct disposal of the relevant assets or liabilities, i.e. if the gain or loss previously recognized in other comprehensive income is reclassified as profit or loss when the relevant assets or liabilities are disposed of, and when the control over the subsidiary is lost, the gain or loss is reclassified from equity to profit or loss.

2. Subsidiaries included in the consolidated financial statements

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Shareholding ratio</u>		<u>Description</u>
			<u>December 31, 2025</u>	<u>December 31, 2024</u>	
The Company	CRYOMAX INTERNATIONAL LTD.	General investment business	100%	100%	
The Company	CRYOMAX U.S.A.INC.	Trading of the same products as the Company	100%	100%	
CRYOMAX INTERNATIONAL LTD.	CROHAN INTERNATIONAL LTD.	General investment business	100%	100%	
CROHAN INTERNATIONAL LTD.	COOL MAX-WAY AUTO PARTS CO.,LTD.	Manufacturing and trading of automotive parts and components	100%	100%	
CROHAN INTERNATIONAL LTD.	Nanjing Cryomax Auto Parts Co., Ltd.	Manufacturing and trading of automotive parts and components	100%	100%	

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Shareholding ratio</u>		<u>Description</u>
			<u>December 31, 2025</u>	<u>December 31, 2024</u>	
The Company	CRYOMAX MEXICO S.A. de C.V.	Manufacturing and trading of automotive parts and components	90%	90%	Note
CRYOMAX U.S.A.INC.	CRYOMAX MEXICO S.A. de C.V.	Manufacturing and trading of automotive parts and components	10%	10%	Note

Note: The Company and Cryomax U.S.A. INC. jointly hold 100% of the equity interest in CRYOMAX MEXICO S.A. de C.V.

3. Subsidiaries not included in the consolidated financial statements

None.

4. Different adjustment and management methods during the accounting period of the subsidiaries

None.

5. Significant restrictions

None.

6. Subsidiaries with significant non-controlling interests in the Group

None.

(IV) Conversion of foreign currencies

The items listed in the financial statements of each entity within the Group are measured in the currency (i.e. functional currency) of the primary economic environment where the entity is located. The consolidated statements are presented in the Company's functional currency, NTD.

1. Foreign currency transactions and balances

- (1) Foreign currency transactions are converted into the functional currency at the spot exchange rate on the transaction date or measurement date. The exchange difference arising from the conversion of such transactions is recognized as current profit or loss.
- (2) The balance of monetary assets and liabilities in foreign currencies is evaluated and adjusted in accordance with the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized as current profit or loss.
- (3) The balance of non-monetary assets and liabilities in foreign currencies measured at fair value through profit or loss shall be evaluated and adjusted in accordance with the spot exchange rate on the balance sheet date. The exchange difference arising from the adjustment shall be recognized in the current profit or loss; if the balance is measured at fair value through other comprehensive income, it shall be evaluated and adjusted in accordance with the spot exchange rate on the balance sheet date. If the balance is not measured at fair value, it shall be measured in accordance with the historical exchange rate on the initial transaction day.
- (4) All other exchange gains and losses are reported in the "other gains and losses" of the income statement based on the nature of the transaction.

2. Translation from foreign operations

For all companies, affiliated companies and joint arrangements whose functional currency differs from their presentation currency, the operating results and financial status are converted to the presentation currency in the following ways:

- (1) Assets and liabilities expressed on each balance sheet are converted at the closing exchange rate on the balance sheet date;
- (2) the income and expense expressed in the statement of comprehensive income is converted at the average exchange rate for the period; and
- (3) all exchange differences arising from the translation are recognized in other comprehensive income.

(V) Classification criteria for current and non-current assets and liabilities

1. Assets that meet one of the following conditions are classified as current assets:

- (1) Assets that are expected to be realized in the normal business cycle, or intended to be sold or consumed.
- (2) Held primarily for trading purposes.
- (3) Expected to be realized within twelve months after the reporting period.
- (4) Cash or cash equivalents, excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

The Group classified all assets that do not meet the above conditions as non-current assets.

2. Liabilities that meet any of the following conditions are classified as current liabilities:

- (1) Expected to be settled in the normal business cycle of the Company.
- (2) Held primarily for trading purposes.
- (3) Due within 12 months after the reporting period.
- (4) The Company does not have the right to defer the settlement of liabilities for at least 12 months after the reporting period.

The Group classified all liabilities that do not meet the above conditions as non-current.

(VI) Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that can be converted into fixed amounts of cash at any time with little risk of changes in value. Time deposits that meet

the definition referred to above and for the purpose of fulfilling short-term cash commitments in operations are classified as cash equivalents.

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

1. This refers to financial assets that are not measured at amortized cost or at fair value through other comprehensive income.
2. The Group applies trade date accounting for financial assets measured at fair value through profit or loss in regular way transactions.
3. At initial recognition, such financial assets are measured at fair value, with related transaction costs recognized immediately in profit or loss. Subsequently, these assets are remeasured at fair value, with any resulting gains or losses recognized in profit or loss.
4. When the right to receive dividends is established, the economic benefits associated with the dividends are highly probable to flow to the Group, and the amount of the dividends can be reliably measured, the Group recognizes dividend income in profit or loss.

(VIII) Accounts and notes receivable

1. These refer to accounts and notes that represent an unconditional right to receive consideration for the transfer of goods or services, as stipulated in the contract.
2. For short-term accounts and notes receivable that do not bear interest, and where the effect of discounting is insignificant, the Group measures them at their original invoice amounts.

(IX) Impairment of financial assets

At each balance sheet date, the Group assesses financial assets measured at amortized cost and accounts receivable that include significant financing components by considering all reasonable and supportable information, including forward-looking data. For financial assets where the credit risk has not increased significantly since initial recognition, a loss allowance is recognized based on the 12-month expected credit losses. For those where the credit risk has increased significantly since initial recognition, the loss allowance is measured based on lifetime expected credit losses. As for accounts receivable without significant financing components, the Group measures the loss allowance using lifetime expected credit losses.

(X) Derecognition of financial assets

The Group will derecognize financial assets when any of the following conditions is met:

1. The contractual rights to receive cash flows from financial assets expired.
2. The contractual rights to receive the cash flow of financial assets are transferred, and almost all the risks and rewards of the ownership of financial assets have been transferred.
3. The contractual rights to transfer and receive the cash flow of financial assets are transferred, but the control of financial assets is not retained.

(XI) Lessee's lease transaction - operating lease

The income from operating leases, after deducting any incentives given to the lessee, is amortized and recognized as current profit or loss over the lease period in accordance with the straight-line method.

(XII) Inventory

Inventory is measured at the lower of cost or net realizable value, and is recorded in the sustainability account. Cost is determined by the weighted average method. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses (amortized according to the normal

production capacity, but not including borrowing costs). When comparing the cost and the net realizable value, whichever is lower, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the normal business process less the estimated cost of completion and the estimated cost of completion needed to complete the sale.

(XIII) Property, plant and equipment

1. Property, plant and equipment are recorded at acquisition cost, and the relevant interest during the acquisition period is capitalized.
2. The subsequent cost is included in the book value of the asset or recognized as an independent asset only when it is probable that the future economic benefit related to the item will flow into the Group, and the cost of the item can be reliably measured. The book value of the replaced part shall be derecognized. All other maintenance costs are recognized as current profit or loss when incurred.
3. The subsequent measurement of property, plant and equipment is based on the cost model. Except for land, which is not depreciated, other items are depreciated using the straight-line method based on the estimated useful lives. If the components of property, plant and equipment are significant, they are depreciated separately.
4. At the end of each financial year, the Group reviews the residual value, useful life, and depreciation method of various assets. If the expected value of the residual value and useful life is different from the previous estimate, or the expected consumption pattern of the future economic benefits contained in the asset has changed significantly, then it will be handled in accordance with the provisions of the accounting estimate value change of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. The useful lives of various assets are as follows:

House and Building	1–41 years
Machine and equipment	1–15 years
Mold equipment	1–12 years
Transport Equipment	2–10 years
Office equipment	2–10 years
Other equipment	1–15 years

(XIV) Lessee's lease transaction - right-of-use assets/lease liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they are available for use by the Group. When the lease contract is a short-term lease or a lease of a low-value target asset, the lease payment is recognized as an expense over the lease period by the straight-line method.
2. Lease liabilities are recognized at the present value of the lease payments that have not been paid on the lease start date, which is discounted at the Group's incremental borrowing rate of interest. Lease payments include fixed payments, less any lease incentives receivable.

Subsequently, the interest method is measured at amortized cost, and interest expenses are recognized during the lease term. When the lease term or lease payment changes due to a modification of the contract, the lease liabilities will be re-evaluated and the right-of-use assets will be re-measured.

3. Right-of-use assets are recognized at cost on the lease start date, including:

- (1) The initial measurement of lease liabilities;
- (2) Any lease payment paid on the commencement date or before that date;
- (3) Any initial direct cost incurred;

Subsequently, the cost model is adopted to measure. When the service life of the right-of-use asset expires or the lease term expires, the depreciation expense is provided. When the lease liabilities are re-evaluated, the right-of-use assets will be adjusted for any re-measurement of the lease liabilities.

(XV) Intangible assets

Computer software

The cost is recognized with computer software, and amortized in accordance with the straight-line method over the estimated useful life of 2 to 5 years.

(XVI) Impairment of non-financial assets

The Group estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount falls below the book value, an impairment loss is recognized. The recoverable amount refers to the higher of the fair value of an asset less the disposal cost or its value in use. When the impairment loss of assets recognized previously no longer existed or is reduced, the impairment loss is reversed, but the book value of the assets increased is not more than the book value of the assets without recognizing the impairment loss, net of depreciation or amortization.

(XVII) Loans

Long-term and short-term borrowings from the Bank. The Group measures their fair value less transaction cost at initial recognition, and subsequently, for any difference between the price after deducting transaction cost and the redemption value, the effective interest method is adopted to recognize interest expense in profit or loss during the period in accordance with the amortization procedure.

(XVIII) Accounts and notes payable

1. Refers to debt incurred for the purchase of raw materials, goods or services, and notes payable for business and non-business purposes.
2. For short-term accounts and notes payable that do not bear interest, and where the effect of discounting is insignificant, the Group measures them at their original invoice amounts.

(XIX) Derecognition of financial liabilities

The Group derecognizes financial liabilities when the contractual obligations are fulfilled, canceled, or expired.

(XX) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured by the non-cash amount expected to be paid and recognized as expenses when the related services are provided.

2. Pension

(1) Defined contribution plan

For the defined contribution plan, the amount of pension fund appropriated in accordance with the responsibility and occurrence basis is recognized as the current pension cost. The prepaid contribution is recognized as assets insofar as it can be refunded in cash or future payments are reduced.

(2) Defined benefit plan

- A. The net obligation under the defined benefit plan is calculated by the discount of the future benefit earned by the employees in the current period or in the past, and the present value of the defined benefit obligation on the balance sheet date less the fair value of the plan assets. The actuary using the Projected Unit Credit Method estimates the net defined benefit obligation each year. Discount rate is the market yield rate of government bonds (on the balance sheet date) with the same currency and maturity date as the defined benefit plan.
- B. The re-measurement generated from the defined benefit plan is recognized in other comprehensive income in the period in which it occurs and expressed in retained earnings.
- C. The prior service cost-related expenses are recognized immediately in profit or loss.

3. Severance benefits

Severance benefits are the benefits provided in exchange for the termination of employment before a normal retirement date when an employee decides to accept the offer of the Company's benefits in exchange for the termination of employment. The Group recognizes the expenses when it cannot revoke the offer of severance benefits or upon recognition of related reorganization costs, whichever comes first. Benefits not expected to be completely paid off for the 12 months following the balance sheet date should be discounted.

4. Remuneration to employees and directors

The remuneration to employees and directors are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If the actual amount resolved to be distributed differs from the estimated amount, it will be treated as a change in accounting estimate. If the employee remuneration is paid in the form of stock, the qualification requirements shall be determined by the Board of Directors.

(XXI) Share-based payment to employees

For the share-based payment arrangement settled on the date of grant, the employee service acquired at the fair value of the equity instrument granted is recognized as the remuneration cost in the vested period, and the equity is adjusted accordingly. The fair value of equity instruments should reflect the market price vested conditions and the impact of non-vested conditions. The remuneration cost recognized is adjusted according to the expected number of rewards that meet the service conditions and the non-market price vested conditions until the amount recognized ultimately is based on the vested amount on the vested date.

(XXII) Income tax

1. Income tax expenses include current and deferred income tax. Except for the income tax related to items that are recognized in other comprehensive income or directly in equity, the income tax is recognized in profit or loss.
2. The Group calculates the current income tax based on the statutory or substantively enacted tax rate in the country where the Company is operating and generating taxable income on the balance sheet date. The management is responsible for the regular evaluation of the status of income tax returns in accordance with the applicable income tax laws and regulations, and for the income tax liabilities estimated in accordance with the expected taxes to be paid to the tax authorities under the applicable circumstances. The income tax on the undistributed earnings shall be levied in accordance with the Income Tax Act. The income tax expense for the undistributed earnings shall be

recognized in the year following the year of the earnings generation after the earnings distribution proposal is approved by the shareholders' meeting.

3. Deferred income tax is recognized in accordance with the balance sheet method based on the temporary difference between the tax base of assets and liabilities and their book value on the consolidated balance sheet. Deferred income tax liabilities arising from the initial recognition of goodwill shall not be recognized. If the deferred income tax arises from the initial recognition of assets or liabilities in a transaction (excluding business merger), and the accounting profit or taxable income (tax loss) at the time of the transaction is not affected, and no equivalent taxable and deductible temporary difference arises, then it shall not be recognized. If temporary differences arise from investments in subsidiaries, associates, and joint ventures, and the Group is able to control the timing of the reversal of such temporary differences, and it is probable that these differences will not reverse in the foreseeable future, then no deferred tax liabilities shall be recognized. Deferred income tax is based on the tax rate (and tax laws) that have been enacted or substantively enacted by the balance sheet date, and that are expected to apply when the deferred income tax assets realized or deferred income tax liabilities settled.
4. Deferred income tax assets are recognized when the temporary difference is very likely to be used to offset future taxable income, and deferred income tax assets that are not recognized or recognized are re-evaluated on each balance sheet date.
5. When there is a legal enforcement right to offset the current income tax assets and liabilities and there is an intention to settle on a net basis or to realize the asset and settle the liability at the same time, the current income tax assets and current income tax liabilities can offset each other; when there is a legal enforcement right to offset the current income tax assets and liabilities, and there is a legal enforcement right to settle on a net basis or to realize the asset and settle the liability at the same time, the deferred income tax assets and liabilities can offset each other.

(XXIII) Share capital

1. Common shares are classified as equity. The incremental cost directly attributable to the issuance of new shares or subscription rights is deducted by the net amount after income tax and listed in the equity as a deduction in payment.
2. When the Company repurchases the issued shares, the consideration paid for the repurchase includes any directly attributable incremental cost, which is recognized as a deduction in shareholders' equity based on the net amount after tax. If the repurchase of shares is followed by a subsequent issuance, the difference between the consideration received and the carrying amount, after deducting any directly attributable incremental cost and income tax effect, is recognized as an adjustment to shareholders' equity.

(XXIV) Dividend distribution

Dividends distributed to shareholders are recognized in the financial statements when the Board of Directors of the Company decides to distribute such dividends. Cash dividends are recognized as liabilities, and stock dividends are recognized as stock dividends to be distributed at the shareholders' meeting of the Company decides to distribute such dividends, and are transferred to common shares on the base date of issuance of new shares.

(XXV) Revenue recognition

Sale of products

1. The Group manufactures and sells the metal water storage related products for various vehicles. Sales revenue is recognized when the control of the product is transferred to the

customer, that is, when the product is delivered to the customer, the customer has discretion over the sales channel and price of the product, and the Group has no unperformed obligation that may affect the customer's acceptance of the product. When the product is delivered to the designated location, the risk of obsolescence and loss has been transferred to the customer, and the customer accepts the product according to the sales contract, or if there is objective evidence to prove that all acceptance criteria have been met.

2. The revenue from the sale of metal water storage tanks for various vehicles is recognized by the contract price less the net amount of the estimated sales discount and price concession. The Group estimates the sales discount and price reduction based on the historical experience. The amount of revenue recognized is limited to the portion that is highly likely not to occur in the future and will not result in a significant reversal, and the estimate is updated on each balance sheet date. As of the balance sheet date, the estimated sales discount and price concession payable to customers related to sales were recognized as refund liabilities. The payment terms of sales transactions are usually due 30 to 90 days after the end of the month. Since the time interval between the transfer of the promised goods or services to the customer and the customer's payment does not exceed one year, the Group does not adjust the transaction price to reflect the time value of the currency.
3. Accounts receivable are recognized when the goods are delivered to the customer, and the Group has unconditional rights to the contract price since that time. The consideration can be collected from the customer after a certain period of time.

(XXVI) Government subsidy

1. The government subsidies are recognized at fair value when it is reasonable to ensure that the enterprise will comply with the conditions attached to the government subsidies and that the subsidies can be received. If the nature of government subsidies is to compensate the expenses of the Group, the government subsidies shall be recognized as current profit or loss in the period of the expenses.
2. Government subsidies related to property, plant and equipment, as a deduction in the book value of the asset, are recognized in profit or loss through a decrease in depreciation expenses over the useful life of the asset.

(XXVII) Operating segment

The information of the Group's operating department is reported in a consistent manner with the internal management report provided to the main operating decision-maker. The chief operating decision maker is responsible for allocating resources to operating segments and assessing their performance.

V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

When the Group prepares the consolidated financial statements, the management has used its judgment to determine the adopted accounting policies, and has made accounting estimates and assumptions based on the reasonable expectations of future events based on the situation on the balance sheet date. The significant accounting estimates and assumptions made may be different from the actual results. Historical experience and other factors will be considered for continuous evaluation and adjustment. These estimates and assumptions may lead to a significant adjustment in the book value of assets and liabilities in the next financial year. Description of significant accounting judgments, estimates, and assumptions with uncertainty:

(I) Key judgments adopted in accounting policy

None.

(II) Key accounting estimates and assumptions

The accounting estimates made by the Group are based on the reasonable expectation of future events based on the situation on the date of the specific day. However, the actual results may be different from the estimates. For the risk of significant adjustment to the book value of assets and liabilities in the next financial year, please refer to the following details:

Valuation of inventories

Since inventory must be priced at the lower of cost or net realizable value, the Group must exercise judgment and estimate to determine the net realizable value of inventory on the balance sheet date. The Group evaluates the amount of inventories on the balance sheet date due to normal consumption, outdatedness, or lack of market sales value, and offset the inventory cost in the net realizable value. The inventory evaluation is mainly based on the product demand in the future specific period, so significant changes may occur.

The book value of the Group's inventories was NT\$898,660 as of December 31, 2025.

VI. Explanation of significant accounts

(I) Cash and cash equivalent

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and working capital	\$ 1,108	\$ 969
Check deposits and demand deposits	441,340	426,794
Time deposit	-	25,638
Total	<u>\$ 442,448</u>	<u>\$ 453,401</u>

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

2. The Group has not pledged cash and cash equivalents.

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

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current item:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 14,711	\$ -
Emerging stock market company stock	-	9,000
	14,711	9,000
Valuation adjustment	<u>3,379</u>	<u>5,888</u>
Total	<u>\$ 18,090</u>	<u>\$ 14,888</u>

1. Details of financial assets at fair value through profit or loss recognized in profit or loss are as follows:

	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instrument	(\$ <u>2,509</u>)	<u>\$ 4,737</u>

2. For credit risk information related to financial assets at fair value through profit or loss, please refer to Note 12, (2).

(III) Notes and accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ <u>46,278</u>	\$ <u>48,967</u>
Accounts receivable	\$ <u>672,603</u>	\$ <u>476,038</u>
Less: Loss allowance	(<u>1,399</u>)	(<u>1,417</u>)
	\$ <u>671,204</u>	\$ <u>474,621</u>

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

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not overdue	\$ 472,447	\$ 46,278	\$ 384,517	\$ 48,967
Within 30 days	135,251	-	65,080	-
31- 90 days	61,358	-	23,807	-
91- 180 days	2,915	-	1,939	-
More than 181 days	<u>632</u>	<u>-</u>	<u>695</u>	<u>-</u>
	\$ <u>672,603</u>	\$ <u>46,278</u>	\$ <u>476,038</u>	\$ <u>48,967</u>

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

2. The balance of accounts receivable and notes receivable as of December 31, 2025 and 2024 were generated from customer contracts. The balance of accounts receivable from customer contracts on January 1, 2024 was \$359,123.
3. Since July 2013, the Group has been purchasing insurance for its accounts receivable (new contracts are replaced annually). The insurance company determines the amount of the credit line granted to the Company. In case of a downsize, 90% of the credit line will be claimed. As of December 31, 2025 and 2024, the balances of accounts receivable covered by insurance amounted to \$108,907 and \$106,861, respectively.
4. The Group does not provide accounts receivable and notes receivable as collateral.
5. Without taking into account the collateral held or other credit enhancements, the amounts that best represent the Group's maximum exposure to credit risk for notes receivable as of December 31, 2025 and 2024 were \$46,278 and \$48,967, respectively; the amounts that best represent the Group's maximum exposure to credit risk for accounts receivable

as of December 31, 2025 and 2024 were \$671,204 and \$474,621, respectively.

6. Financial assets transferred as a whole and derecognized

The Group has entered into accounts receivable factoring agreements with financial institutions. Pursuant to the agreements, the Group is not required to bear the risk of non-collection of the transferred accounts receivable and is only required to bear losses arising from commercial disputes. Furthermore, the Group does not have any continuing involvement in such transferred accounts receivable; accordingly, the Group derecognizes such factored accounts receivable. The relevant information for those not yet due is as follows:

<u>Counterparty for factoring</u>	<u>December 31, 2025</u>				<u>Interest rate range of amounts advanced</u>
	<u>Amount of accounts receivable factored</u>	<u>Amount derecognized</u>	<u>Amount advanced</u>	<u>Amount available for advance</u>	
Deutsche Bank	\$ 98,884	\$ 98,884	\$ 98,884	\$	- 5.54%~6.12%

December 31, 2024: None.

7. For the credit risk information of accounts receivable and notes receivable, please refer to Note 12, (2).

(IV) Inventory

	<u>December 31, 2025</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Book Value</u>
Raw materials	\$ 262,797	(\$ 30,908)	\$ 231,889
Work in process	67,963	(3,013)	64,950
Semi-finished goods	199,725	(11,866)	187,859
Finished good	412,723	(28,284)	384,439
Inventory of goods	31,776	(2,253)	29,523
Total	<u>\$ 974,984</u>	<u>(\$ 76,324)</u>	<u>\$ 898,660</u>

	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Book Value</u>
Raw materials	\$ 208,421	(\$ 20,379)	\$ 188,042
Work in process	72,516	(2,584)	69,932
Semi-finished goods	177,063	(9,833)	167,230
Finished good	362,104	(42,957)	319,147
Inventory of goods	27,869	(2,747)	25,122
Total	<u>\$ 847,973</u>	<u>(\$ 78,500)</u>	<u>\$ 769,473</u>

The cost of inventory recognized as expense by the Group in the current period:

	<u>2025</u>	<u>2024</u>
Cost of inventory sold	\$ 2,160,793	\$ 1,668,684
Inventory book value	(6,366)	(3,273)
Revenue from sale of scraps	(8,089)	(5,434)
Loss (reversal gain) on inventory obsolescence and devaluation	(2,176)	38,173
Inventory scrap loss	2,651	4,448
Revenue from sale of scrap	(181)	(268)
	<u>\$ 2,146,632</u>	<u>\$ 1,702,330</u>

The reversal gain on inventory in 2025 was due to the disposal of a portion of inventory for which devaluation or obsolescence had been previously recognized, resulting in an increase in the net realizable value of inventory.

(V) Other current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Prepaid income tax	\$ 19,490	\$ 30,514
Other prepaid expenses	25,061	16,930
Income tax refund receivable	39,661	16,629
Overpaid tax retained for offsetting the future tax payable	31,863	40,597
Prepayment for purchase	26,021	6,641
Other receivables	6,510	4,107
Others	14,618	10,918
	<u>\$ 163,224</u>	<u>\$ 126,336</u>

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(VI) Property, plant and equipment

	<u>2025</u>					
	<u>Balance at</u> <u>beginning of</u> <u>period</u>	<u>Increase in the</u> <u>current period</u>	<u>Decrease in</u> <u>Current Period</u>	<u>Current transfer</u>	<u>Net exchange</u> <u>difference</u>	<u>Balance at</u> <u>ending of period</u>
Cost						
Land	\$ 537,602	\$ -	\$ -	\$ -	\$ 18,451	\$ 556,053
House and Building	562,585	4,970 (	25,451)	3	17,231	559,338
Machine and equipment	350,908	36,681 (	80,160)	22,284	9,157	338,870
Mold equipment	299,598	25,290 (	81,373)	613 (	3,231)	240,897
Transport Equipment	21,613	2,880 (	4,436)	-	(708)	19,349
Office equipment	15,213	2,097 (	500)	-	(281)	16,529
Other equipment	88,522	2,913 (	23,179)	280 (	385)	68,151
Unfinished construction and equipment to be inspected	<u>12,585</u>	<u>25,634 (</u>	<u>1,440)</u>	<u>(23,180)</u>	<u>(11,840)</u>	<u>1,759</u>
Total	<u>\$ 1,888,626</u>	<u>\$ 100,465</u>	<u>(\$ 216,539)</u>	<u>\$ -</u>	<u>\$ 28,394</u>	<u>\$ 1,800,946</u>
Accumulated depreciation						
House and Building	(\$ 195,857)	(\$ 25,610)	\$ 25,451	\$ -	(\$ 666)	(\$ 196,682)
Machine and equipment	(173,618)	(34,883)	71,155	-	993	(136,353)
Mold equipment	(207,418)	(40,637)	79,859	-	3,374	(164,822)
Transport Equipment	(11,407)	(3,528)	4,436	-	899	(9,600)
Office equipment	(11,948)	(2,140)	500	-	358	(13,230)
Other equipment	(59,364)	(12,493)	23,179	-	315	(48,363)
Total	<u>(\$ 659,612)</u>	<u>(\$ 119,291)</u>	<u>\$ 204,580</u>	<u>\$ -</u>	<u>\$ 5,273</u>	<u>(\$ 569,050)</u>
Total	<u>\$ 1,229,014</u>					<u>\$ 1,231,896</u>

	<u>2024</u>					
	<u>Balance at</u> <u>beginning of</u> <u>period</u>	<u>Increase in the</u> <u>current period</u>	<u>Decrease in</u> <u>Current Period</u>	<u>Current transfer</u>	<u>Net exchange</u> <u>difference</u>	<u>Balance at</u> <u>ending of period</u>
Cost						
Land	\$ 564,402	\$ -	\$ -	\$ -	(\$ 26,800)	\$ 537,602
House and Building	474,283	16,692	(997)	82,906	(10,299)	562,585
Machine and equipment	358,206	24,112	(38,670)	2,177	5,083	350,908
Mold equipment	357,523	20,460	(91,995)	137	13,473	299,598
Transport Equipment	26,283	2,552	(7,177)	100	(145)	21,613
Office equipment	14,469	2,467	(2,410)	114	573	15,213
Other equipment	85,549	2,453	(2,192)	23	2,689	88,522
Unfinished construction and equipment to be inspected	60,569	40,265	-	(85,457)	(2,792)	12,585
Total	<u>\$ 1,941,284</u>	<u>\$ 109,001</u>	<u>(\$ 143,441)</u>	<u>\$ -</u>	<u>(\$ 18,218)</u>	<u>\$ 1,888,626</u>
Accumulated depreciation						
House and Building	(\$ 171,609)	(\$ 23,461)	\$ 997	\$ -	(\$ 1,784)	(\$ 195,857)
Machine and equipment	(164,847)	(35,815)	31,146	-	(4,102)	(173,618)
Mold equipment	(235,284)	(53,342)	91,068	-	(9,860)	(207,418)
Transport Equipment	(14,372)	(3,932)	6,993	-	(96)	(11,407)
Office equipment	(11,649)	(2,114)	2,410	-	(595)	(11,948)
Other equipment	(46,781)	(13,088)	2,192	-	(1,687)	(59,364)
Total	<u>(\$ 644,542)</u>	<u>(\$ 131,752)</u>	<u>\$ 134,806</u>	<u>\$ -</u>	<u>(\$ 18,124)</u>	<u>(\$ 659,612)</u>
Total	<u>\$ 1,296,742</u>					<u>\$ 1,229,014</u>

1. There was no capitalization of borrowing costs related to property, plant and equipment.
2. Please refer to Note 8 for information regarding property, plant and equipment provided as collateral.
3. All of the aforementioned property, plant and equipment are held for the Group's own use.

(VII) Lease transaction - Lessee

1. The Group's leased assets include land use rights, buildings, and structures. Except for land use rights, which have lease terms ranging from 30 to 50 years, the remaining lease contracts generally have terms of 5 years. Lease contracts are negotiated on an individual basis and include various terms and conditions. Except for the restriction that land use rights cannot be pledged as loan collateral, there are no other significant restrictions.
2. The Group's short-term and low-value leases primarily relate to plant and equipment.
3. The carrying amounts of right-of-use assets and the related depreciation expenses are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Book Value</u>	<u>Book Value</u>
Long-term prepaid rent (right-of-use of land)	\$ 21,460	\$ 22,165
House and Building	<u>50,312</u>	<u>95,778</u>
	<u>\$ 71,772</u>	<u>\$ 117,943</u>

	<u>2025</u>	<u>2024</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Long-term prepaid rent (right-of-use of land)	\$ 766	\$ 787
House and Building	<u>42,099</u>	<u>43,323</u>
	<u>\$ 42,865</u>	<u>\$ 44,110</u>

4. The Group had no additions to right-of-use assets in 2025 and 2024.
5. The information on profit and loss items related to lease contracts is as follows:

	<u>2025</u>	<u>2024</u>
<u>Items affecting the current profit or loss</u>		
Interest expense of lease liabilities	<u>\$ 3,422</u>	<u>\$ 5,172</u>
Expenses of short-term lease contracts	<u>\$ 10,659</u>	<u>\$ 12,484</u>

6. The total cash outflow for leases of the Group in 2025 and 2024 amounted to \$57,616 and \$59,733, respectively.
7. For the information on collateral with right-of-use assets, please refer to the descriptions in Note 8.

(VIII) Short-term loans

<u>Nature of loan</u>	<u>December 31, 2025</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Bank loan			
Secured loan	\$ 738,254	1.97%~4.97%	Land, buildings and right-of-use assets
Credit loan	<u>323,910</u>	1.94%~5.34%	-
	<u>\$ 1,062,164</u>		

<u>Nature of loan</u>	<u>December 31, 2024</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Bank loan			
Secured loan	\$ 547,716	1.97%~5.66%	Land, buildings and right-of-use assets
Credit loan	<u>294,737</u>	1.94%~5.30%	-
	<u>\$ 842,453</u>		

(IX) Short-term notes payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Commercial paper payable	\$ 60,000	\$ -
Less: Discount of commercial paper payables	<u>(70)</u>	<u>-</u>
	<u>\$ 59,930</u>	<u>\$ -</u>
Range of interest rates	<u>2.12%</u>	<u>-</u>

The above-mentioned commercial paper payable is guaranteed and issued by China Bills Finance Corporation

(X) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Salary and bonus payable	\$ 38,889	\$ 38,005
Import/export freight payable	26,246	15,108
Five insurance and one fund payable	23,612	26,985
Equipment payable	275	6,013
Employee remuneration payable	985	63
Directors remuneration payable	985	-
Others	<u>54,389</u>	<u>50,119</u>
	<u>\$ 145,381</u>	<u>\$ 136,293</u>

(XI) Other current liabilities – other

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Refund liabilities	\$ 37,657	\$ 29,737
Other current liabilities	<u>1,392</u>	<u>3,283</u>
	<u>\$ 39,049</u>	<u>\$ 33,020</u>

(XII) Long-term loans

<u>Nature of loan</u>	<u>Duration and repayment of loans</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Borrowings repaid in installments				
Credit loan	From November 14, 2023 to September 14, 2030, with equal monthly installments commencing from the second year	2.43%	-	\$ 130,100
Secured loan	From May 3, 2023 to May 3, 2028, with equal monthly installments commencing from the second year	2.11%	Land and buildings	60,416
Secured loan	From May 31, 2013 to May 31, 2028, and repaid in one equal installment per month	2.11%	Land and buildings	<u>28,510</u>
				219,026
Less: Long-term borrowings due within one year or one business cycle				<u>(69,021)</u>
				<u>\$ 150,005</u>

<u>Nature of loan</u>	<u>Duration and repayment of loans</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Borrowings repaid in installments				
Credit loan	From November 14, 2023 to September 14, 2030, with equal monthly installments commencing from the second year	2.40%	-	\$ 157,700
Secured loan	From May 3, 2023 to May 3, 2028, with equal monthly installments commencing from the second year	2.11%~2.39%	Land and buildings	110,828
Secured loan	From May 31, 2013 to May 31, 2028, and repaid in one equal installment per month	2.11%	Land and buildings	<u>45,423</u>
				313,951
Less: Long-term borrowings due within one year or one business cycle				<u>(94,329)</u>
				<u>\$ 219,622</u>

(XIII) Pension

1.(1) The Company has established a defined benefit retirement plan in accordance with the "Labor Standards Act" which is applicable to the seniority of all full-time employees before the "Labor Pension Act" came into effect on July 1, 2005, and the seniority of employees who choose to continue to apply the Labor Standards Act after

the "Labor Pension Act" came into effect. For employees who meet the retirement requirements, the pension payment is calculated based on the length of service and the average salary of the six months prior to retirement. Two bases are given for each full year of service within 15 years (inclusive), and one base is given for each full year thereafter, up to a maximum of 45 bases. The Company contributes 2% of the total salary to the pension fund every month and deposits the fund in a special account under the name of the Labor Pension Reserve Supervisory Committee in the Bank of Taiwan. In addition, before the end of each year, the Company estimates the balance of the pension account for the labor retirement reserve fund as mentioned in the preceding paragraph. If the balance is insufficient to pay the pension amount for the estimated number of pension for the labor retirement fund in the following year, the Company will make a provision for the difference before the end of March of the following year.

(2) The amount recognized in the balance sheet is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	\$ 23,408	\$ 23,401
Fair value of plan assets	(28,932)	(25,412)
Net defined benefit liability (asset)	<u>(\$ 5,524)</u>	<u>(\$ 2,011)</u>

(3) Changes in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities</u>
2025			
Balance on January 1	\$ 23,401	(\$ 25,412)	(\$ 2,011)
Current service cost	-	-	-
Interest expense (income)	374	(407)	(33)
	<u>23,775</u>	<u>(25,819)</u>	<u>(2,044)</u>
Remeasurement:			
Impact of changes in demographic assumptions	-	-	-
Impact of changes in financial assumptions	396	-	396
Experience adjustments	(275)	-	(275)
Return on planned assets	-	(1,697)	(1,697)
	<u>121</u>	<u>(1,697)</u>	<u>(1,576)</u>
Contribution to pension fund	-	(1,904)	(1,904)
Payment of pension	(488)	488	-
Balance on December 31	<u>\$ 23,408</u>	<u>(\$ 28,932)</u>	<u>(\$ 5,524)</u>

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities</u>
2024			
Balance on January 1	\$ 25,389	(\$ 22,750)	\$ 2,639
Current service cost	-	-	-
Interest expense (income)	<u>305</u>	<u>(273)</u>	<u>32</u>
	<u>25,694</u>	<u>(23,023)</u>	<u>2,671</u>
Remeasurement:			
Impact of changes in demographic assumptions	-	-	-
Impact of changes in financial assumptions	(890)	-	(890)
Experience adjustments	150	-	150
Return on planned assets	<u>-</u>	<u>(2,130)</u>	<u>(2,130)</u>
	<u>(740)</u>	<u>(2,130)</u>	<u>(2,870)</u>
Contribution to pension fund	-	(1,812)	(1,812)
Payment of pension	<u>(1,553)</u>	<u>1,553</u>	<u>-</u>
Balance on December 31	<u>\$ 23,401</u>	<u>(\$ 25,412)</u>	<u>(\$ 2,011)</u>

- (4) The Bank of Taiwan is entrusted to manage the Company's defined benefit pension plan fund in accordance with the Fund's annual investment and utilization plan and Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e. deposit in domestic and foreign financial institutions, investment in domestic and foreign listed, OTC or private placement of equity securities, investment in domestic and foreign real estate securitization products, etc.). The utilization of the fund is supervised by the Labor Pension Fund Supervisory Committee. The minimum income allocated to the annual final accounts of the fund shall not be less than the income calculated based on the two-year fixed deposit interest rate of the local bank. If there is any deficiency, the deficiency shall be compensated by the competent authority after approval. As the Company has no right to participate in the operation and management of the fund, the Company is unable to disclose the classification of the fair value of the plan assets in accordance with Paragraph 142 of IAS 19. For the fair value of the total assets of the fund as of December 31, 2025 and 2024, please refer to the labor pension fund utilization report published by the government each year.
- (5) The actuarial assumptions about pension are summarized as follows:

	<u>2025</u>	<u>2024</u>
Discount rate	<u>1.40%</u>	<u>1.60%</u>
Future salary increase rate	<u>3.00%</u>	<u>3.00%</u>

The assumptions regarding future mortality rates for 2025 and 2024 were estimated

based on the sixth experience life table of the life insurance industry in Taiwan.

- (6) The analysis of the present value of the defined benefit obligation due to the changes in the main actuarial assumptions is as follows:

	<u>Discount rate</u>		<u>Future salary increase rate</u>	
	<u>Increase by</u>	<u>Decrease by</u>	<u>Increase by</u>	<u>Decrease by</u>
	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>
December 31, 2025				
Impact of present value of defined benefit obligation	(\$ 494)	\$ 510	\$ 443	(\$ 432)

	<u>Discount rate</u>		<u>Future salary increase rate</u>	
	<u>Increase by</u>	<u>Decrease by</u>	<u>Increase by</u>	<u>Decrease by</u>
	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>
December 31, 2024				
Impact of present value of defined benefit obligation	(\$ 532)	\$ 551	\$ 484	(\$ 471)

The above sensitivity analysis analyzes the impact of changes in a single assumption with other assumptions remaining unchanged. In practice, many changes in assumptions may be linked. The sensitivity analysis is consistent with the method used to calculate the net pension liabilities on the balance sheet.

The methods and assumptions used in the preparation of the sensitivity analysis of the current period are the same as those used in the previous period.

- (7) The Group is expected to contribute \$1,859 to the pension plan in 2026.
 (8) As of December 31, 2025, the weighted average duration of the pension plan was 9 years. The maturity analysis of pension payment is as follows:

Less than 1 year	\$	665
1-2 years		4,380
2-5 years		2,616
Over 5 years		8,438
	\$	<u>16,099</u>

- 2.(1) Since July 1, 2005, the Company and its domestic subsidiaries has established the regulations for defined contribution of pension fund in accordance with the "Labor Pension Act" which is applicable to the employees of ROC nationality. For employees who choose to adopt the labor pension system under the "Labor Pension Act", the Company contributes 6% of the monthly salary to their individual pension accounts at the Bureau of Labor Insurance. The payment of the employee pension is based on the employee's individual pension account and the accumulated return, which are paid monthly or in lump sum.
- (2) The sub-subsidiary, Coolmax-way Dongguan and Nanjing Cryomax, have adopted a pension plan under the regulations of the People's Republic of China. Under the plan, the Company makes monthly contributions equivalent to 14% - 16% of employees' monthly salaries. The pension of each employee shall be managed and arranged by

the government. The Group shall contribute the fund on a monthly basis, but shall not have further obligations.

- (3) The subsidiary, CRYOMAX MEXICO S.A. de C.V., has a pension fund appropriated in accordance with a certain percentage of the total salary of the local employees on the basis of the number of working days every two months, and the appropriated percentage is 2%. The pension of each employee shall be arranged and managed by the government, and there shall be no further obligation.
- (4) The subsidiaries, CRYOMAX INTERNATIONAL LTD., CROHAN INTERNATIONAL LTD. and CRYOMAX U.S. INC., do not have pension plans.
- (5) In 2025 and 2024, the Group in recognized pension costs of \$19,212 and \$17,994, respectively, in accordance with the above-mentioned pension measures.

(XIV) Share-based payment

1. The Company had no share-based payment arrangement in 2025; the Company's share-based payment arrangement in 2024 was as follows:

<u>Types of agreements</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vested conditions</u>
Transfer of treasury stock to employees	2024.8.9	250 thousand shares	0.09 years	Vested immediately
Capital increase in cash	2024.11.11	800 thousand shares	0.04 years	Vested immediately

The Company's plan to transfer treasury stock to employees is to dispose of the stock immediately after the subscription, and the employees may leave the Company during the vesting period without the need to return the stock and the dividends distributed.

2. The details of the above share-based payment arrangement are as follows:

- (1) Transfer of treasury stock to employees

	<u>2024</u>	
	<u>Number of stock options</u>	<u>Weighted average contract price (NTD)</u>
January 1 beginning of period outstanding stock options	-	\$ -
Stock options granted in the current period	250,000	-
Execution of stock options in the current period	(250,000)	24.72
December 31 end of period outstanding stock options	=====	-
December 31 end of period option exercisable	=====	-

(2) Capital increase in cash

	<u>2024</u>	<u>Weighted average contract price (NTD)</u>
	<u>Number of stock options</u>	
January 1 beginning of period outstanding stock options	-	\$ -
Stock options granted in the current period	800,000	30.00
Execution of stock options in the current period	(584,000)	30.00
Overdue and invalid stock options in the current period	<u>(216,000)</u>	-
December 31 end of period outstanding stock options	<u> -</u>	
December 31 end of period option exercisable	<u> -</u>	

3. The fair value of the share-based payment transaction granted on the grant date is estimated using the Black-Scholes option model. The relevant information is as follows:

<u>Types of agreements</u>	<u>Grant date</u>	<u>Stock price</u>	<u>Performance price</u>	<u>Expected volatility</u>	<u>Expected duration</u>	<u>Expected dividends</u>	<u>Risk-free interest rate</u>	<u>Fair value per unit</u>
Transfer of treasury stock to employees	2024.8.9	\$ 47.30	\$ 24.72	59.19%	0.09 years	\$ -	1.27%	\$ 22.61
Capital increase in cash	2024.11.11	41.95	30.00	55.63%	0.04 years	-	1.29%	11.97

Note: The expected volatility is estimated based on the historical stock price volatility over a recent period comparable to the option's time to expiration.

4. The expenses incurred from the share-based payment transactions are as follows:

	<u>2025</u>	<u>2024</u>
Equity settlement	<u>\$ -</u>	<u>\$ 12,641</u>

(XV) Share capital

1. As of December 31, 2025, the Company's authorized capital was \$2,000,000 thousand, divided into 200,000 thousand shares, with a paid-in capital of \$800,556 thousand, with a par value of \$10 per share.

2. The outstanding shares at the beginning and ending of the period of the common shares of the Company are adjusted as follows (unit: thousand shares):

	<u>2025</u>	<u>2024</u>
January 1	80,055	68,624
Repurchase of treasury stock	-(	250)
Capital increase in cash	-	8,000
Stock dividends	-	3,431
Transfer of treasury stock to employees	-	250
December 31	<u>80,055</u>	<u>80,055</u>

3. Treasury stock

The Company resolved at a meeting on January 27, 2024 to repurchase 500 thousand shares of treasury stock. Upon expiration of the period, 250 thousand shares of treasury stock had been repurchased, with a repurchase amount of \$6,179. After the treasury stock was transferred to employees, the remaining balance was \$0.

- a. Reasons for the recovery of shares and changes in the number of shares (thousand shares):

December 31, 2025: None.

	<u>2024</u>			
<u>Reasons for recovery</u>	<u>Number of shares at the beginning of period</u>	<u>Increase in the current period</u>	<u>Current transfer</u>	<u>Number of shares at the end of the period</u>
Transfer of shares to employees	-	(250)	250	-

- b. According to the Securities and Exchange Act, the percentage of shares repurchased by the Company shall not exceed 10% of the total number of issued shares, and the total amount of repurchase shall not exceed the sum of the retained earnings plus the premium from the issuance of shares and the realized capital reserve.
- c. The treasury stock held by the Company shall not be pledged and shall not be entitled to the rights of shareholders before transfer in accordance with the Securities and Exchange Act.
- d. According to the Securities and Exchange Act, the shares repurchased for transfer to employees should be transferred within five years from the date of repurchase. If the shares are not transferred after the expiration date, they should be deemed as unissued shares of the Company and should be canceled for change of registration. The shares repurchased for the protection of the credit and shareholders' equity of the Company shall be canceled within six months from the date of the repurchase.
4. On May 30, 2024, the Company's shareholders' meeting resolved to increase capital by issuing 3,431 thousand shares at par value of \$10 per share with the undistributed earnings of \$34,312 thousand. This capital increase was approved by the FSC on July 26, 2024, and the Board of Directors resolved on August 9, 2024 to set the capital increase record date on September 2, 2024.
5. The Company's Board of Directors approved the issuance of 8,000 thousand common shares for cash on August 9, 2024, with a par value of \$10 per share and a price of \$30 per share. This capital increase was approved by the FSC on October 17, 2024, and the Board of Directors authorized the Chairperson to determine the record date of capital

increase on October 22, 2024, with November 12, 2024 as the record date.

(XVI) Capital reserve

According to the Company Act, the premium from the issuance of shares at a price higher than the par value and the capital reserve from the receipt of gifts may be used to offset a deficit. When the Company has no accumulated deficit, new shares or cash may be issued or paid based on the original shareholding ratio. In accordance with the relevant provisions of the Securities and Exchange Act, the above-mentioned capital reserve is limited to 10% of the paid-in capital annually. The Company shall not make up for the capital loss with the additional paid-in capital unless the additional paid-in capital is insufficient to make up for the capital loss.

	<u>2025</u>			
	<u>Premium from</u>	<u>Trading of treasury stock</u>	<u>Others</u>	<u>Total</u>
	<u>issuance</u>			
January 1 and December 31	<u>\$ 518,808</u>	<u>\$ 10,443</u>	<u>\$ 17,718</u>	<u>\$ 546,969</u>

	<u>2024</u>				
	<u>Premium from</u>	<u>Trading of treasury</u>	<u>Employee stock</u>	<u>Others</u>	<u>Total</u>
	<u>issuance</u>	<u>stock</u>	<u>options</u>		
January 1	\$ 353,570	\$ 4,790	\$ -	\$ 17,718	\$ 376,078
Share-based payment for remuneration cost	-	-	12,641	-	12,641
Transfer of treasury stock to employees	-	5,653	(5,653)	-	-
Capital increase in cash	<u>165,238</u>	<u>-</u>	<u>(6,988)</u>	<u>-</u>	<u>158,250</u>
December 31	<u>\$ 518,808</u>	<u>\$ 10,443</u>	<u>\$ -</u>	<u>\$ 17,718</u>	<u>\$ 546,969</u>

(XVII) Retained earnings

1. According to the Articles of Incorporation of the Company, the distribution of earnings or offset of losses may be conducted at the end of each half fiscal year in the following order:
 - (1) Paying taxes as required by law.
 - (2) Offsetting accumulated losses
 - (3) After deducting items (1) and (2), 10% of the remaining earnings shall be appropriated as legal reserve, except when the legal reserve amounts to the paid-in capital.
 - (4) Special reserve is appropriated or reversed in accordance with the law or for operational needs.
 - (5) The amount of the distribution of dividends to shareholders is the accumulated undistributed earnings of the previous years, net of the balance of (1) - (4).
2. The Company may distribute all or part of the dividends and bonuses in cash in the form of a cash dividend, with the attendance of at least two-thirds of the Directors and a resolution of a majority of the Directors present, and report to the shareholders' meeting. The preceding paragraph is not applicable to the provisions of the resolution of the shareholders' meeting.
3. The legal reserve may not be used except to offset a deficit, issue new shares or issue cash in proportion to the original shares held by shareholders, but if the legal reserve exceeds 25% of the paid-in capital, the legal reserve may be used to issue new shares or

issue cash.

4. (1) When the Company distributes earnings, it is required by laws and regulations to set aside a special reserve for the balance of other equity items on the balance sheet date of the current year before distribution. When the balance of other equity items is subsequently reversed, the amount of reversal can be included in the distributable earnings.
- (2) When the IFRSs are first adopted, the special reserve appropriated by the FSC on March 31, 2021 under Letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 is reversed when the Company subsequently uses, disposes or reclassifies the relevant assets based on the proportion of the originally appropriated special reserve. If the relevant assets are investment property, the land part is reversed when the disposal or reclassification, and the non-land part is reversed during the period.
5. The Company's earnings distribution proposal for 2024 was approved by the Board of Directors on March 14, 2025, and the earnings distribution proposal for 2023 was approved by the Board of Directors on March 13, 2024, as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>Dividends per share (NTD)</u>	<u>Amount</u>	<u>Dividends per share (NTD)</u>
Legal Capital Reserve	\$ -		\$ 4,137	
Special reserve	(383)		174	
Cash dividend	40,027	\$ 0.50	34,312	\$ 0.50
Stock dividends	-	-	34,312	0.50

(1) The legal reserve, special reserve and stock dividends of the 2023 earnings distribution proposal were approved by the shareholders' meeting on May 30, 2024.

(2) The legal reserve and reversal of special reserve for the 2024 earnings distribution proposal were approved by the shareholders' meeting on June 4, 2025.

6. The Company's Board of Directors resolved on August 11, 2025 and August 9, 2024 that no earnings would be distributed for the first half of 2025 and 2024, respectively.
7. On March 10, 2026, the Company's Board of Directors approved the earnings distribution proposal for 2025, under which no dividends are to be distributed; however, it has not yet been reported to the shareholders' meeting. The amounts of legal reserve to be appropriated and special reserve to be reversed for 2025 remain subject to resolution at the annual shareholders' meeting to be convened on June 4, 2026.

(XVIII) Operating revenue

	<u>2025</u>	<u>2024</u>
Customer contract income	<u>\$ 2,651,919</u>	<u>\$ 2,154,167</u>

1. Customer contract income breakdown

The revenue of the Group comes from the transfer of merchandise at a certain point in time.

	<u>2025</u>				
	<u>Taiwan</u>	<u>United States of America</u>	<u>Mexico</u>	<u>China</u>	<u>Total</u>
Major geographic areas					
Americas	\$1,000,168	\$ 736,873	\$ 2,758	\$ -	\$1,739,799
Taiwan	310,973	-	-	96,102	407,075
Europe	34,053	-	-	-	34,053
Asia	16,798	-	-	334,225	351,023
Others	102,914	-	-	17,055	119,969
Total	<u>\$1,464,906</u>	<u>\$ 736,873</u>	<u>\$ 2,758</u>	<u>\$ 447,382</u>	<u>\$2,651,919</u>

	<u>2024</u>				
	<u>Taiwan</u>	<u>United States of America</u>	<u>Mexico</u>	<u>China</u>	<u>Total</u>
Major geographic areas					
Americas	\$ 795,689	\$ 612,553	\$ 89	\$ -	\$1,408,331
Taiwan	285,801	-	-	1,915	287,716
Europe	39,490	-	-	-	39,490
Asia	11,498	-	-	287,888	299,386
Others	94,656	-	-	24,588	119,244
Total	<u>\$1,227,134</u>	<u>\$ 612,553</u>	<u>\$ 89</u>	<u>\$ 314,391</u>	<u>\$2,154,167</u>

2. Contract liabilities and refund liabilities

The contract liabilities related to the revenue recognized by the Group from customer contracts are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contractual liabilities:			
Contractual liabilities - advance sales receipts	\$ <u>28,725</u>	\$ <u>9,256</u>	\$ <u>4,733</u>
Refund liabilities (Note)	\$ <u>37,657</u>	\$ <u>29,737</u>	\$ <u>13,301</u>

Note: The refund liability is listed as other current liabilities - others in the balance sheet, mainly due to the estimated sales discount.

Recognize income of contract liabilities at the beginning of period

	<u>2025</u>	<u>2024</u>
Opening balance of contract liabilities		
Revenue recognized this period	\$ <u>7,512</u>	\$ <u>2,096</u>

(XIX) Interest income

	<u>2025</u>	<u>2024</u>
Interest on bank deposits	\$ <u>7,726</u>	\$ <u>6,767</u>

(XX) Other revenue

	<u>2025</u>		<u>2024</u>
Dividend income	\$ 600	\$	496
Revenue from subsidiaries	1,440		2,740
Rent income	569		189
Other revenue	4,391		4,414
	<u>\$ 7,000</u>	<u>\$</u>	<u>7,839</u>

(XXI) Other gains (losses)

	<u>2025</u>		<u>2024</u>
Net foreign exchange gain	\$ 7,269	\$	7,837
Net loss (profit) from financial assets at fair value through loss	(2,509)		4,737
Profit from disposal of property, plant, and equipment	2,054		732
Other losses	(467)	(	336)
	<u>\$ 6,347</u>	<u>\$</u>	<u>12,970</u>

(XXII) Financial cost

	<u>2025</u>		<u>2024</u>
Interest expense			
Bank loan	\$ 28,238	\$	30,820
Lease liabilities	3,422		5,172
Others	5,111		-
Short-term notes payable discount	1,257		1,176
	<u>\$ 38,028</u>	<u>\$</u>	<u>37,168</u>

(XXIII) Additional information on the nature of expenses

	<u>Classified as</u>	<u>Classified as</u>	<u>Total</u>
	<u>Operating Cost</u>	<u>Operating Expense</u>	
Employee benefit expense			
Payroll expense	\$ 179,614	\$ 107,014	\$ 286,628
Labor and health insurance expense	16,380	7,428	23,808
Pension expense	14,207	4,972	19,179
Remuneration to directors	-	2,545	2,545
Other personnel expenses	13,726	7,143	20,869
Subtotal	<u>\$ 223,927</u>	<u>\$ 129,102</u>	<u>\$ 353,029</u>
Property, plant and equipment depreciation expense	<u>\$ 95,533</u>	<u>\$ 23,758</u>	<u>\$ 119,291</u>
Depreciation expense of right-of-use assets	<u>\$ 9,516</u>	<u>\$ 33,349</u>	<u>\$ 42,865</u>
Amortization expenses of intangible assets	<u>\$ -</u>	<u>\$ 323</u>	<u>\$ 323</u>

	<u>Classified as</u> <u>Operating Cost</u>	<u>2024</u> <u>Classified as</u> <u>Operating</u> <u>Expense</u>	<u>Total</u>
Employee benefit expense			
Payroll expense	\$ 174,145	\$ 116,152	\$ 290,297
Labor and health insurance expense	11,353	7,572	18,925
Pension expense	13,164	4,862	18,026
Remuneration to directors	-	1,456	1,456
Other personnel expenses	14,614	7,873	22,487
Subtotal	<u>\$ 213,276</u>	<u>\$ 137,915</u>	<u>\$ 351,191</u>
Property, plant and equipment depreciation expense	<u>\$ 106,525</u>	<u>\$ 25,227</u>	<u>\$ 131,752</u>
Depreciation expense of right-of-use assets	<u>\$ 9,782</u>	<u>\$ 34,328</u>	<u>\$ 44,110</u>
Amortization expenses of intangible assets	<u>\$ -</u>	<u>\$ 491</u>	<u>\$ 491</u>

1. In accordance with the Company's Articles of Incorporation, if the Company has profits for the year, it shall allocate no less than 1% and no more than 5% as employee remuneration (of which more than 50% shall be allocated to non-managerial employees); and no more than 5% shall be allocated as remuneration to directors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses. The remuneration to employees referred to in the preceding paragraph shall be paid in the form of shares or in cash. The remuneration may be paid to employees of subsidiaries of the Company who meet certain criteria, such as rank or performance, and the qualification requirements shall be determined by the Board of Directors.
2. The estimated amounts of employee remuneration and directors' remuneration of the Company for 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Employee remuneration	\$ 985	\$ -
Remuneration to directors	985	-
Total	<u>\$ 1,970</u>	<u>\$ -</u>

The estimate for 2025 was accrued at 3% based on the profit for the period up to the current date. For 2024, no employee remuneration or directors' remuneration was appropriated due to losses.

For information on the remuneration of employees and directors, please visit the Market Observation Post System of the Taiwan Stock Exchange.

(XXIV) Income tax

1. Income tax expense (benefit)
 - (1) Components of income tax expense (benefit):

	<u>2025</u>		<u>2024</u>
Current income tax:			
Income tax generated from current income	\$ 20,893	\$	19,747
Underestimation (overestimation) of income tax in previous years	<u>7,509</u>	(	<u>7,475</u>)
Total current income tax	\$ 28,402	\$	12,272
Deferred income tax:			
The original generation and reversal of temporary difference	1,134	(	19,507)
Effect of change in tax rate	<u>(10,834)</u>	-	-
Total deferred income tax	<u>(9,700)</u>	(	<u>19,507</u>)
Income tax expense (benefit)	<u>\$ 18,702</u>	(\$	<u>7,235</u>)

(2) Amount of income tax related to other comprehensive income (loss):

	<u>2025</u>		<u>2024</u>
Occurred in the current period:			
Exchange differences from foreign operations	(\$ 5,575)	(\$	96)
Re-measurement of defined benefit obligations	<u>(315)</u>	(	<u>574</u>)
	<u>(\$ 5,890)</u>	(\$	<u>670</u>)

2. The relation between income tax expense (profit) and accounting profit:

	<u>2025</u>		<u>2024</u>
Income tax on pre-tax net profit (loss) calculated at the statutory tax rate	\$ 22,650	(\$	19,015)
Expenses to be removed under the tax laws and regulations	175		122
Income exempted from taxation under the tax laws	(120)	(	99)
The taxation loss has not been recognized as deferred income tax	7,258		19,232
Income tax effects of the tax rate correction	(10,834)	-	-
Changes in deferred income tax assessments	(7,936)	-	-
Underestimation (overestimation) of income tax in previous years	<u>7,509</u>	(	<u>7,475</u>)
Income tax expense (benefit)	<u>\$ 18,702</u>	(\$	<u>7,235</u>)

3. Deferred income tax assets or liabilities arising from temporary differences and taxation losses are as follows:

	<u>2025</u>			
	<u>Balance at</u>		<u>Recognition in</u>	
	<u>beginning of</u>	<u>Recognized in</u>	<u>other</u>	<u>Balance at</u>
	<u>period</u>	<u>profit or loss</u>	<u>comprehensive net</u>	<u>ending of period</u>
			<u>income</u>	
Deferred income tax assets:				
Temporary difference:				
Allowance for sales returns and allowances	\$ 5,637	\$ 676	\$ -	\$ 6,313
Allowance for inventory valuation losses	15,106	2,900	-	18,006
Unrealized gain on sale of mold	1,426	(107)	-	1,319
Exchange differences from foreign operations	12,521	-	(5,575)	6,946
Fixed assets depreciation	2,655	375	-	3,030
Payables for benefits	5,027	877	-	5,904
Government grants	5,790	3,539	-	9,329
Right-of-use assets	28,315	(12,755)	-	15,560
Foreign long-term investment losses	2,174	641	-	2,815
Others	2,171	942	-	3,113
Tax loss	<u>5,239</u>	<u>(4,713)</u>	<u>-</u>	<u>526</u>
	<u>\$ 86,061</u>	<u>(\$ 7,625)</u>	<u>(\$ 5,575)</u>	<u>\$ 72,861</u>
Deferred income tax liabilities:				
Overseas long-term investment gains	(\$ 57,070)	\$ 5,083	\$ -	(\$ 51,987)
Land value increment tax reserve	(897)	-	-	(897)
Lease liabilities	(26,411)	12,323	-	(14,088)
Accrued pension assets	(403)	(386)	-	(789)
Re-measurement of defined benefit obligations	-	-	(315)	(315)
Others	<u>(1,177)</u>	<u>305</u>	<u>-</u>	<u>(872)</u>
	<u>(\$ 85,958)</u>	<u>\$ 17,325</u>	<u>(\$ 315)</u>	<u>(\$ 68,948)</u>
		<u>\$ 9,700</u>	<u>(\$ 5,890)</u>	

	<u>2024</u>			
	<u>Balance at</u>		<u>Recognition in</u>	
	<u>beginning of</u>	<u>Recognized in</u>	<u>other</u>	<u>Balance at</u>
	<u>period</u>	<u>profit or loss</u>	<u>comprehensive net</u>	<u>ending of period</u>
			<u>income</u>	
Deferred income tax assets:				
Temporary difference:				
Allowance for sales returns and allowances	\$ 2,270	\$ 3,367	\$ -	\$ 5,637
Allowance for inventory valuation losses	6,121	8,985	-	15,106
Accrued pension liabilities	527	(356)	(171)	-
Unrealized gain on sale of mold	1,534	(108)	-	1,426
Exchange differences from foreign operations	12,617	-	(96)	12,521
Fixed assets depreciation	1,653	1,002	-	2,655
Payables for benefits	6,028	(1,001)	-	5,027
Government grants	5,803	(13)	-	5,790
Right-of-use assets	29,763	(1,448)	-	28,315
Foreign long-term investment losses	-	2,174	-	2,174
Others	2,221	(50)	-	2,171
Tax loss	<u>3,244</u>	<u>1,995</u>	<u>-</u>	<u>5,239</u>
	<u>\$ 71,781</u>	<u>\$ 14,547</u>	<u>(\$ 267)</u>	<u>\$ 86,061</u>
Deferred income tax liabilities:				
Overseas long-term investment gains	(\$ 58,412)	\$ 1,342	\$ -	(\$ 57,070)
Land value increment tax reserve	(897)	-	-	(897)
Lease liabilities	(30,976)	4,565	-	(26,411)
Accrued pension assets	-	-	(403)	(403)
Others	<u>(230)</u>	<u>(947)</u>	<u>-</u>	<u>(1,177)</u>
	<u>(\$ 90,515)</u>	<u>\$ 4,960</u>	<u>(\$ 403)</u>	<u>(\$ 85,958)</u>
		<u>\$ 19,507</u>	<u>(\$ 670)</u>	

4. The effective period of the unused tax loss of the Group and the amount of deferred income tax assets not recognized are as follows:

<u>December 31, 2025</u>					
<u>Year of occurrence</u>	<u>Number of reporting/ verification</u>	<u>Amount to be credited</u>	<u>Unrecognized amount of deferred income tax assets</u>	<u>Last year of credit</u>	
2025	Projected reporting	\$ 24,193	\$ 24,193	2035	
2024	Number Reported	66,736	64,106	2034	

<u>December 31, 2024</u>					
<u>Year of occurrence</u>	<u>Number of reporting/ verification</u>	<u>Amount to be credited</u>	<u>Unrecognized amount of deferred income tax assets</u>	<u>Last year of credit</u>	
2024	Projected reporting	\$ 89,035	\$ 64,106	2034	

5. Applicable tax rate

<u>Names of parent company, subsidiaries, and sub-subsidiaries</u>	<u>Applicable Income Tax Act</u>	<u>Applicable tax rate</u>
Cryomax Taiwan	Income Tax Act of the Republic of China	Applicable tax rate: 20%
Nanjing Cryomax	Enterprise Income Tax Law of the People's Republic of China	Applicable tax rate for 2024: 15%; Applicable tax rate for 2025: 25%
Coolmax-way Dongguan	Enterprise Income Tax Law of the People's Republic of China	Applicable tax rate: 25%
CRYOMAX U.S.A.INC.	State tax: Virginia State Tax Law of the United States, California	Applicable tax rate: 6%
	State Tax Law of the United States	Applicable tax rate: 8.84%
	Federal tax: Federal Tax Law of the United States	Applicable tax rate: 21%
CRYOMAX MEXICO S.A.de C.V.	Income Tax Law of Mexico	Applicable tax rate: 30%

6. The Company's profit-seeking enterprise income tax has been approved by the tax authorities up to 2022.

(XXV) Earnings (losses) Per Share (NT\$)

	<u>Amount after</u> <u>tax</u>	<u>2025</u> <u>Weighted average</u> <u>outstanding shares</u> <u>(thousand shares)</u>	<u>Earnings per</u> <u>share (NTD)</u>
<u>Basic EPS</u>			
Net profit attributable to the common stock shareholders of the parent company	\$ 29,912	80,056	\$ 0.37
<u>Diluted EPS</u>			
Net profit attributable to the common stock shareholders of the parent company	\$ 29,912	80,056	
Effect of potentially dilutive ordinary shares			
-Employee remuneration	-	20	
The effect of the net income of the current period attributable to the common shareholders of the parent company plus the effect of the potential common shares	\$ 29,912	80,076	\$ 0.37

	<u>Amount after</u> <u>tax</u>	<u>2024</u> <u>Weighted average</u> <u>outstanding shares</u> <u>(thousand shares)</u>	<u>Loss per</u> <u>share (NTD)</u>
<u>Basic and diluted loss per share</u>			
Net loss attributable to the common stock shareholders of the parent company	(\$ 33,802)	72,585	(\$ 0.47)

1. In calculating diluted earnings (loss) per share, it is assumed that employee remuneration is entirely distributed in the form of shares during the current period, and such potential ordinary shares are included in the weighted average number of shares outstanding when they have a dilutive effect.
2. The above-mentioned weighted average number of outstanding shares has been adjusted retrospectively in accordance with the percentage of undistributed earnings transferred to capital approved by the 2024 shareholders' meeting.
3. Employee stock options for 2024 have an anti-dilutive effect and are therefore not included in the calculation of diluted earnings per share.

(XXVI) Supplementary information on cash flow

Investment activities paid in cash in part only:

	<u>2025</u>	<u>2024</u>
Purchase of property, plant and equipment	\$ 100,465	\$ 109,001
Add: Payables for equipment at the beginning of period	6,013	19,254
Less: Payables for equipment at the end of period	(275)	(6,013)
Less: Prepayment for equipment at the beginning of period	(12,256)	(11,861)
Add: Prepayment for equipment at the end of period	5,026	12,256
Paid in cash in the current period	\$ 98,973	\$ 122,637

(XXVII) Changes in liabilities from financing activities

	<u>Short-term loans</u>	<u>Long-term loans (including current portion)</u>	<u>Short-term notes payable</u>	<u>Dividends payable</u>	<u>Lease liabilities (including non- current)</u>	<u>Total liabilities from financing activities</u>
January 1, 2025	\$ 842,453	\$ 313,951	\$ -	\$ -	\$ 102,666	\$ 1,259,070
Changes in cash flow from financing activities	216,583	(94,925)	60,000	(40,027)	(43,535)	98,096
Effect of exchange rate	(141)	-	-	-	(3,588)	(3,729)
Changes in other non- cash	3,269	-	(70)	40,027	-	43,226
December 31, 2025	<u>\$ 1,062,164</u>	<u>\$ 219,026</u>	<u>\$ 59,930</u>	<u>\$ -</u>	<u>\$ 55,543</u>	<u>\$ 1,396,663</u>

	<u>Short-term loans</u>	<u>Long-term loans (including current portion)</u>	<u>Short-term notes payable</u>	<u>Dividends payable</u>	<u>Lease liabilities (including non- current)</u>	<u>Total liabilities from financing activities</u>
January 1, 2024	\$ 871,519	\$ 372,651	\$ 59,923	\$ -	\$ 137,702	\$ 1,441,795
Changes in cash flow from financing activities	(31,745)	(58,700)	(60,000)	(34,312)	(42,077)	(226,834)
Effect of exchange rate	2,468	-	-	-	7,041	9,509
Changes in other non- cash	211	-	77	34,312	-	34,600
December 31, 2024	<u>\$ 842,453</u>	<u>\$ 313,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,666</u>	<u>\$ 1,259,070</u>

VII. Transactions with related parties

(I) Names of related parties and their relationships

<u>Name of Related Party</u>	<u>Relations with the Group</u>
DENSO PRODUCTS AND SERVICES AMERICAS, INC. (DPAM)	Other related party
DENSO INTERNATIONAL ASIA PTE. LTD.(DIAS)	Other related party
DENSO MANUFACTURING ARGENTINA S.A.(DNAR)	Other related party
DENSO DO BRASIL LTDA(DNBR)	Other related party
Denso (China) Investment Co., Ltd. (DICH)	Other related party
Denso Taiwan Corporation (Denso Taiwan)	Other related party
Denso Corporation (DENSO)	Entities with significant influence of the Company

(II) Major transactions with related parties

1. Operating revenue

	<u>2025</u>	<u>2024</u>
Sale of products:		
DPAM	\$ 180,749	\$ 143,065
DIAS	137,895	92,650
Other related party	<u>107,750</u>	<u>71,737</u>
	<u>\$ 426,394</u>	<u>\$ 307,452</u>

The transaction price of the above sales is based on the agreement between both parties. The payment terms are 60 days after the settlement, and the general customer is 30 to 90 days after the settlement.

2. Operating expense

	<u>2025</u>	<u>2024</u>
Entities with significant influence of the Company	\$ 2,140	\$ 825

The operating expenses referred to above are paid on a half-yearly basis.

3. Accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Account receivable:		
DPAM	\$ 37,023	\$ 30,428
DIAS	29,107	14,551
Other related party	<u>11,801</u>	<u>12,883</u>
	<u>\$ 77,931</u>	<u>\$ 57,862</u>

4. Accounts payable:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other payables:		
Entities with significant influence of the Company	\$ 995	\$ 1,522

The other payables mentioned above are royalty expenses, and are paid every six months.

(III) Information on remuneration to key management personnel

	<u>2025</u>	<u>2024</u>
Remuneration and other short-term employee benefits	\$ 15,470	\$ 14,353
Pension	<u>353</u>	<u>354</u>
Total	<u>\$ 15,823</u>	<u>\$ 14,707</u>

VIII. Pledged assets

The details of the collateral with the Company's assets are as follows:

<u>Assets</u>	<u>Book value</u>		<u>Purpose of guarantee</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>	
Property, plant and equipment	\$ 438,781	\$ 446,534	Long, short-term loans
Right-of-use assets	<u>21,460</u>	<u>22,165</u>	Short-term loans
	<u>\$ 460,241</u>	<u>\$ 468,699</u>	

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Contingency

None.

(II) Commitment

Capital expenditure that has been signed but has not yet occurred

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment	<u>\$ 2,813</u>	<u>\$ 8,957</u>

X. Losses due to major disasters

None.

XI. Material events after the reporting period

The Company's Board of Directors approved the 2025 earnings distribution proposal on March 10, 2026. Please refer to Note 6(17)7 for details.

XII. Others

(I) Capital risk management

The Group's capital management objective is to ensure the Group's continuous operation, maintain the best capital structure to reduce the cost of capital, and provide returns to shareholders. In order to maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders or issue new shares to reduce liabilities. The Group controls its capital by using the debt to total assets ratio. Said ratio is calculated by dividing total liabilities by total assets.

(II) Financial instruments

1. Type of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 18,090</u>	<u>\$ 14,888</u>
Financial assets measured at amortized cost		
Cash and cash equivalent	\$ 442,448	\$ 453,401
Notes receivable	46,278	48,967
Accounts receivable	671,204	474,621
Accounts receivable – related parties	77,931	57,862
Other receivables	46,171	20,736
Guarantee deposits paid	7,260	7,512
	<u>\$ 1,291,292</u>	<u>\$ 1,063,099</u>
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term loans	\$ 1,062,164	\$ 842,453
Short-term notes payable	59,930	-
Notes payable	130	-
Accounts payable	457,510	312,369
Other payables	145,381	136,293
Other payables – related parties	995	1,522
Long-term loans (including current portion)	219,026	313,951
	<u>\$ 1,945,136</u>	<u>\$ 1,606,588</u>
Lease liabilities (including non-current)	<u>\$ 55,543</u>	<u>\$ 102,666</u>

2. Risk management policies

- (1) The Group's daily operations are affected by a number of financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.
- (2) The Finance Department of the Group is responsible for the execution of risk management in accordance with the policies approved by the Board of Directors. The Finance Department of the Group works closely with the operating units within the Group to identify, assess and avoid financial risks. The Board of Directors has written principles for overall risk management, and written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, use of derivatives and non-derivative financial instruments, and investment of remaining working capital.

3. The nature and severity of significant financial risks

(1) Market risk

Exchange rate risk

- A. As the Group is a trans-national operation, the exchange rate risk arising from the transactions with the Company and its subsidiaries in the functional currency is mainly derived from USD, EUR and RMB. The relevant exchange rate risk comes from future commercial transactions and recognized assets and liabilities.
- B. The Group's management has formulated policies to regulate the exchange rate risk of each unit within the Group's functional currency. The measurement of exchange rate risk is expected transactions in USD, EUR and RMB with high probability. All units shall hedge the overall exchange rate risk through the Group's Finance Department.
- C. The business activities of the Group involve a number of non-functional currencies (New Taiwan Dollar is the functional currency of the Company, and USD, RMB and Mexican Peso are the functional currencies of some subsidiaries). Therefore, the Group is affected by exchange rate fluctuations. The information on foreign currency assets and liabilities with significant exchange rate fluctuations is as follows:

	<u>December 31, 2025</u>		
	<u>Foreign currency</u>		
	<u>(in thousands)</u>	<u>Exchange Rate</u>	<u>Book Value (NTD)</u>
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 13,080	31.43	\$ 411,104
EUR: NTD	508	36.90	18,745
RMB: NTD	1,606	4.500	7,227
USD: RMB	14,015	6.99	440,491
USD: MXN	539	17.97	16,941
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	\$ 11,377	31.43	\$ 357,579
USD: MXN	479	17.97	15,055

December 31, 2024

		<u>Foreign currency</u>			
		<u>(in thousands)</u>	<u>Exchange Rate</u>	<u>Book Value (NTD)</u>	
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD: NTD	\$	11,601	32.79	\$	380,397
EUR: NTD		221	34.14		7,545
RMB: NTD		1,333	4.480		5,972
USD: RMB		6,124	7.32		200,806
USD: MXN		522	20.51		17,116
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD: NTD	\$	10,322	32.79	\$	338,458

- D. The total amount of all exchange gains (realized and unrealized) recognized in 2025 and 2024 due to the significant influence of exchange rate fluctuations on the Group's monetary items was a net \$7,269 and a net \$7,837, respectively.
- E. The Group's foreign currency market risk analysis due to significant exchange rate fluctuations is as follows:

		<u>2025</u>		
		<u>Sensitivity analysis</u>		
		<u>Degree of change</u>	<u>Impact on profit or loss</u>	<u>Impact on other comprehensive income</u>
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD: NTD	1%	\$	4,111	\$ -
EUR: NTD	1%		187	-
RMB: NTD	1%		72	-
USD: RMB	1%		4,405	-
USD: MXN	1%		169	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD: NTD	1%	(\$	3,576)	\$ -
USD: MXN	1%	(	151)	-

		<u>2024</u>		
		<u>Sensitivity analysis</u>		
		<u>Degree of change</u>	<u>Impact on profit or loss</u>	<u>Impact on other comprehensive income</u>
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD: NTD	1%	\$	3,804	\$ -
EUR: NTD	1%		75	-
RMB: NTD	1%		60	-
USD: RMB	1%		2,008	-
USD: MXN	1%		171	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				

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 under the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since the initial recognition.

- E. The Group classifies accounts receivable of customers according to the characteristics of customers, and estimates the expected credit loss based on the preparation matrix.
- F. The indicators used by the Group to determine the credit impairment of debt instrument investment are as follows:
- (A) The issuer is likely to enter into bankruptcy or other financial restructuring if it is experiencing major financial difficulties;
 - (B) The issuer makes the active market of the financial asset disappear due to financial difficulties;
 - (C) The issuer delays or fails to pay interest or principal;
 - (D) Changes in national or regional economic conditions that are related to the issuer's default.
- G. After the Group has pursued the recourse, the amount of the financial assets that cannot be reasonably expected to be recovered is written off. However, the Group will continue to pursue the legal procedure of recourse to protect the rights and interests of creditors.
- H. The Group has taken into consideration forward-looking information to adjust the loss rate established based on historical and current data for a specific period, in order to estimate the allowance for doubtful accounts. The allowance matrix as of December 31, 2025 and 2024 is as follows:

	<u>Not overdue</u>	<u>Within 30 days</u>	<u>31- 90 days</u>	<u>91- 180 days</u>	<u>More than 181 days</u>	<u>Total</u>
<u>December 31, 2025</u>						
Expected loss rate	0.05%	0.08%	0.33%	12.28%	78.64%	
Total book value	\$ 472,447	\$ 135,251	\$ 61,358	\$ 2,915	\$ 632	\$ 672,603
Loss allowance	\$ 227	\$ 113	\$ 204	\$ 358	\$ 497	\$ 1,399
	<u>Not overdue</u>	<u>Within 30 days</u>	<u>31- 90 days</u>	<u>91- 180 days</u>	<u>More than 181 days</u>	<u>Total</u>
<u>December 31, 2024</u>						
Expected loss rate	0.11%	0.21%	1.07%	13.82%	49.06%	
Total book value	\$ 384,517	\$ 65,080	\$ 23,807	\$ 1,939	\$ 695	\$ 476,038
Loss allowance	\$ 416	\$ 137	\$ 255	\$ 268	\$ 341	\$ 1,417

- I. The simplified statement of changes in the allowance for loss of accounts receivable is as follows:

	<u>2025</u>	<u>2024</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
January 1	\$ 1,417	\$ 1,386
Gains from reversal of impairment loss	7	-
Impact of exchange rate	(25)	31
December 31	<u>\$ 1,399</u>	<u>\$ 1,417</u>

(3) Liquidity risk

- A. The cash flow forecast is executed by the operating units within the Group, and the Group's Finance Department compiles the data. The Group's Finance Department monitors the forecast of the Group's demand for working capital to ensure that it has sufficient funds to meet operational needs, and maintains sufficient unspent loan commitment at all times.
- B. If there is any surplus, the Group's financial units will invest in interest-bearing demand deposits, time deposits, money market deposits and securities, and the instruments selected to have appropriate maturities or sufficient liquidity to meet the forecast above and provide sufficient liquidity.
- C. The Group's unused credit facilities are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Floating interest rate		
Due within One year	\$ 438,465	\$ 600,538
More than one year	<u>-</u>	<u>206,048</u>
	<u>\$ 438,465</u>	<u>\$ 806,586</u>

- D. The following table shows the non-derivative financial liabilities of the Group, grouped by their maturity dates. The non-derivative financial liabilities are analyzed according to the remaining period from the balance sheet date to the contract maturity date. The contract cash flow disclosed in the following table are not discounted.

Non-derivative financial liabilities				
December 31, 2025	Within 1 year	1 to 2 years	Over 2 years	Total
Short-term loans	\$ 1,065,682	\$ -	\$ -	\$ 1,065,682
Short-term notes payable	60,000	-	-	60,000
Notes payable	130	-	-	130
Accounts payable	457,510	-	-	457,510
Other payables	145,381	-	-	145,381
Other payables – related parties	995	-	-	995
Lease liabilities (including non-current)	35,243	11,947	11,352	58,542
Long-term loans (including current portion)	74,073	65,652	98,639	238,364
Non-derivative financial liabilities				
December 31, 2024	Within 1 year	1 to 2 years	Over 2 years	Total
Short-term loans	\$ 851,313	\$ -	\$ -	\$ 851,313
Accounts payable	312,369	-	-	312,369
Other payables	136,293	-	-	136,293
Other payables – related parties	1,522	-	-	1,522
Lease liabilities (including non-current)	49,019	36,036	24,307	109,362
Long-term loans	101,844	76,022	168,305	346,171

(including current portion)

(III) Fair value information

1. The evaluation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: The quoted price (unadjusted) of the same assets or liabilities in the active market on the measurement date. An active market is a market where there is frequent and large volume of transactions of assets or liabilities, and the market continues to provide information on pricing. The fair value of the listed stocks invested by the Group belongs to this level.

Level 2: The input value of assets or liabilities, directly or indirectly, that is observable, except for quoted prices included in Level 1. The fair value of the structured deposit invested by the Group belongs to this level.

Level 3: The input values for assets or liabilities with no observable market prices. The Group's investments in unlisted and emerging stocks fall into this category.

2. Financial instruments not measured at fair value through profit or loss

The book value of the Group's financial instruments not measured at fair value, including cash and cash equivalents, notes receivable, accounts receivable, accounts receivable - related parties, other receivables, guarantee deposits paid, short-term borrowings, short-term notes payable, notes payable, accounts payable, accounts payable - related parties, other payables, other payables - related parties, long-term borrowings (including current portion of long-term borrowings), and lease liabilities is the reasonable approximate value.

3. For financial and non-financial instruments measured at fair value, the Group classifies them according to the nature, characteristics, risks, and fair value of the assets and liabilities. The relevant information is as follows:

- (1) The Group classifies assets and liabilities according to their nature. The relevant information is as follows:

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Repetitive fair value</u>				
Financial assets measured at fair value through profit or loss				
Equity securities	<u>\$ 18,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,090</u>
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Repetitive fair value</u>				
Financial assets measured at fair value through profit or loss				
Equity securities	<u>\$ 14,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,888</u>

- (2) The methods and assumptions used by the Group to measure fair value are as follows:
- A. If the Group adopts market quotation as the input value of fair value (i.e. Level 1), the nature of the instrument is classified as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Listed stock</u>	<u>Emerging stock market company stock</u>
Market quotation	Closing price	All prices are equal to the average price

- B. The structured deposit adopts the cash flow discount method to estimate future cash flows based on observable interest rates at the end of the period and discounts them at market interest rates.
- C. The fair value of such financial assets is calculated based on the market approach (the market price to net worth ratio) and the market price to net worth ratio of the same industry in the market.
- D. The output of the evaluation model is the estimated value, and the evaluation technique may not reflect all relevant factors of the financial instruments and non-financial instruments held by the Group. Therefore, the estimated value of the evaluation model will be adjusted according to additional parameters, such as model risk or liquidity risk, etc. According to the Group's fair value evaluation model management policy and relevant control procedures, management believes that the evaluation adjustment is appropriate and necessary to express the fair value of financial instruments and non-financial instruments in the balance sheet. The price information and parameters used in the revaluation process have been carefully evaluated and are adjusted according to the current market situation.
4. There were no transfers between Level 1 and Level 2 in 2025 and 2024.
5. The following table shows the changes in Level 3 for 2025 and 2024:

	<u>2025</u>	<u>2024</u>
	<u>Equity instrument</u>	<u>Equity instrument</u>
January 1	\$ -	\$ 10,151
Recognition in profit or loss (other profits and losses)	-	4,737
Transferred out from Level 3	-	(14,888)
December 31	<u>\$ -</u>	<u>\$ -</u>

6. In 2024, the emerging market of non-listed stocks of Level 3 was transferred from Level 3 to Level 1.
7. No transfers in or out of Level 3 were reported for 2025.
8. For the evaluation process of the Group's fair value classified as Level 3, the Finance Department is responsible for verifying the independent fair value of the financial instruments. The evaluation results approximate the market status, and the source of information is confirmed to be independent, reliable, consistent with other resources, and to represent executable prices. The evaluation model is regularly calibrated, backtracked, and updated, and the input values and data required by the evaluation model and any other necessary fair value adjustments are adjusted to ensure that the evaluation results are reasonable.

XIII. Supplementary Disclosures

(I) Information on significant transactions

1. Loaning of funds to others: Please refer to Table 1.
2. Endorsement/Guarantees for Others: None.
3. Significant securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures): Please refer to Table 2.
4. Purchases or sales of goods from and to related parties reaching NTD 100 million or more than 20% of paid-in capital: Please refer to Table 3.
5. Receivables from related parties reaching NTD 100 million or more than 20% of the paid-in capital: Please refer to Table 4.
6. Business relationship and significant transactions between the parent company and its subsidiaries: Please refer to Table 5.

(II) Information on investees

The name and location of the investee company and other relevant information (excluding investee companies in China): Please refer to Table 6.

(III) Information on Investments in Mainland China

1. Please refer to Table 7 for basic information.
2. Major transactions with investees in China directly or indirectly through a third regional enterprise: Please refer to Table 5.

XIV. Segment information

(I) General information

The Group's management has identified the segments to be reported based on the information reported by the major operating decision makers when making the decision, and divided the business organization into segments in Taiwan, the United States, China, and Mexico based on the operating area.

(II) Measurement of information of segments

The Group's main operating decision maker evaluates the performance of operating segments based on the adjusted pre-tax income, and this measurement standard excludes the impact of non-regular expenses in operating segments. The measurement measure also excludes the effect of unrealized gains and losses on financial instruments from the settlement of share-based payments in equity method.

(III) Segment information

The information on the segments to be reported to the major operating decision maker is as follows:

2. The adjusted profit and loss before tax and the profit and loss before tax of continuing operations are as follows:

	<u>2025</u>	<u>2024</u>
Income before tax after segment adjustments gains (loss)	\$ 45,445	(\$ 34,836)
Other operating segments' adjusted gains (loss) before tax	-	-
Total for the operating department	45,445	(34,836)
Elimination of inter-departmental gains (losses)	3,169	(6,201)
Consolidated gains (loss) before tax	<u>\$ 48,614</u>	<u>(\$ 41,037)</u>

(V) Information on product and service type

The Group is engaged in the single industry of producing and selling water tanks for automobiles.

(VI) Information by region

The information of the Group by region in 2025 and 2024 is as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Revenue</u>	<u>Non-current assets</u>	<u>Revenue</u>	<u>Non-current assets</u>
Americas	\$ 1,739,799	\$ 521,654	\$ 1,408,331	\$ 453,343
Taiwan	407,075	448,646	287,716	526,955
Asia	351,023	338,620	299,386	379,464
Europe	34,053	-	39,490	-
Others	119,969	-	119,244	-
Total	<u>\$ 2,651,919</u>	<u>\$ 1,308,920</u>	<u>\$ 2,154,167</u>	<u>\$ 1,359,762</u>

The Group's revenue by region is calculated based on the sales country. Non-current assets refer to property, plant and equipment, right-of-use assets, intangible assets and other assets, but exclude deferred income tax assets, deferred pension costs and refundable deposits.

(VII) Information on key customers

The Group's important customers in 2025 and 2024 are as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Revenue</u>	<u>Segment</u>	<u>Revenue</u>	<u>Segment</u>
Customer A	\$ 395,763	Taiwan	\$ 359,257	Taiwan
Customer B	301,032	United States of America	333,885	United States of America

Cryomax Cooling System Corp. and Subsidiaries

Loans to Others

January 1 to December 31, 2025

Table 1

Unit: NTD thousand
(unless otherwise specified)

No. (Note 1)	Lending company	Borrowing company	Current account	Whether a related party	Maximum balance for the period	Balance at ending of period	Actual transferred amount	Range of interest rates	Nature of loaning of funds	Business transaction amount	Reasons for the need of short-term financing	Appropriated allowance for loss	Collateral		Amount of of loans to particular borrower (Note 2)	Limit of total loaning of funds (Note 3)	Remarks
													Name	Value			
1	COOL MAX-WAY AUTO PARTS CO.,LTD.	Nanjing Cryomax Auto Parts Co., Ltd.	Other receivables - related parties	Yes	\$ 14,718	\$ -	\$ -	0%~4.687%	Business transaction	\$ 130,000	Not applicable	\$ -	None	\$ -	\$ 81,244	\$ 162,487	Note 4
2	CRYOMAX U.S.A. INC.	CRYOMAX MEXICO S.A. de C.V.	Other receivables - related parties	Yes	132,840	125,720	125,720	6.5%	Short-term financing	-	Operating turnover	-	None	-	169,549	169,549	Note 4

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

(1). 0 is reserved for issuer.

(2). Each invested company is numbered in sequential order starting from 1.

Note 2: The limit of financing to each borrower is as follows:

(1). For companies with the need for short-term financing, the amount of each loan is limited to 20% of the net value of the most recent financial statements.

(2). For those who have business transactions, the loan amount of each loan shall not exceed the higher of the actual purchase or sale amount in the most recent year or in the next year, and shall not exceed 20% of the net value in the most recent financial statements.

(3). CRYOMAX MEXICO S.A. de C.V. is a joint venture of CRYOMAX U.S.A INC. and Cryomax Cooling System Corp. The Company holds 100% of the shares with a comprehensive shareholding ratio of 100%. The loaning of funds is limited to 40% of the Company's net worth as stated in its latest financial statement.

Note 3: The total loaning of funds is limited to 40% of the net value of the company that lends loan in the latest financial statement.

Note 4: Eliminated in the consolidated financial statements.

Cryomax Cooling System Corp. and Subsidiaries

Marketable of significant securities – end (exclusive of investments in subsidiaries, affiliates, and joint ventures)
December 31, 2025

Unit: NTD thousand
(unless otherwise specified)

Table 2

<u>Holding company</u>	<u>Types and names of securities (Note)</u>	<u>Relationship with the issuer of securities</u>	<u>Account title</u>	<u>At the end of the period</u>				<u>Remarks</u>
				<u>Number of Shares</u>	<u>Book Value</u>	<u>Shareholding</u>	<u>Fair value</u>	
Cryomax Cooling System Corp.	Stock/KING SHING INDUSTRIAL CO., LTD.	None	Financial assets measured at fair value through profit or loss - current	450,000	\$ 18,090	0.7%	\$ 18,090	

Securities mentioned in this table refer to stocks, bonds, beneficiary certificates, and securities derived from the above items within the scope of IFRS 9 “Financial instruments”.

Cryomax Cooling System Corp. and Subsidiaries

Purchases or sales of goods from and to related parties reaching NTD 100 million or more than 20% of paid-in capital.

January 1 to December 31, 2025

Unit: NTD thousand
(unless otherwise specified)

Table 3

<u>Companies engaged in purchase</u> (sale)	<u>Name of counterpart</u>	<u>Relationship</u>	<u>Purchase (sale)</u>	<u>Transaction</u>		<u>Credit period</u>	<u>Unit Price</u>	<u>Circumstances and reasons for differences between the transaction terms and general transaction terms</u>	<u>Notes/Accounts Receivable (Payable)</u>		<u>Remarks</u>
				<u>Amount</u>	<u>As a percentage of total purchases (sales) %</u>				<u>Balance</u>	<u>As a percentage of total notes/accounts receivable (payable)</u>	
Cryomax Cooling System Corp.	Nanjing Cryomax Auto Parts Co., Ltd.	Subsidiary	Procurement	\$ 726,893	51.87%	Payment within 60 days after the end of each month	Note 1	Payment within 60 days after the end of each month	\$ 36,329	15.21%	Note 3
Cryomax Cooling System Corp.	COOL MAX-WAY AUTO PARTS CO.,LTD.	Subsidiary	Procurement	245,197	17.50%	Payment within 60-90 days after month-end	Note 1	Payment within 60-90 days after month-end	108,992	45.62%	Note 3
Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	Subsidiary of the Company	Sale	234,783	13.73%	60-90 days after the end of each month, and collection within 90 days	Note 2	60-90 days after the end of each month, and collection within 90 days	104,088	23.92%	Note 3
Nanjing Cryomax Auto Parts Co., Ltd.	CRYOMAX U.S.A INC.	Under the same ultimate parent company	Sale	188,179	18.27%	Payment within 60 days after the end of each month	Note 2	Payment within 60 days after the end of each month	65,756	17.24%	Note 3
Cryomax Cooling System Corp.	DENSO PRODUCTS AND SERVICES AMERICAS,INC.(DPAM)	Other related party	Sale	180,749	10.57%	Payment within 60 days after the end of each month	Note 2	Payment within 60 days after the end of each month	37,023	8.51%	-
COOL MAX-WAY AUTO PARTS CO.,LTD.	Nanjing Cryomax Auto Parts Co., Ltd.	Under the same ultimate parent company	Sale	130,000	27.95%	60-180 days after the end of each month, and collection within 90 days	Note 2	60-180 days after the end of each month, and collection within 90 days	52,205	26.74%	Note 3
Nanjing Cryomax Auto Parts Co., Ltd.	DENSO INTERNATIONAL ASIA PTE. LTD.(DIAS)	Other related party	Sale	129,081	10.05%	Payment within 60 days after the end of each month	Note 2	Payment within 60 days after the end of each month	27,455	7.20%	-

Note 1: Calculated based on the general purchase price.

Note 2: Priced based on the general sales price.

Note 3: Written off in the consolidated financial statements.

Cryomax Cooling System Corp. and Subsidiaries
 Receivables from related parties reaching NTD 100 million or more than 20% of the paid-in capital
 December 31, 2025

Unit: NTD thousand
 (unless otherwise specified)

Table 4

<u>Company stating in receivables</u>	<u>Name of counterpart</u>	<u>Relationship</u>	<u>Balance of accounts</u>		<u>Turnover rate</u>	<u>Overdue accounts receivable from related parties</u>		<u>Subsequent recovered amount of accounts receivable from related parties (Note 2)</u>		<u>Appropriated allowance for loss</u>
			<u>receivable from related parties</u>			<u>Amount</u>	<u>Treatment</u>			
CRYOMAX U.S.A INC.	CRYOMAX MEXICO S.A. de C.V.	Between subsidiaries	\$	126,862	Note 1	\$	-	-	\$	-
Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	Parent and subsidiary		104,088	2.01		-	-	42,431	-

Note 1: This amount includes the loaning of funds, so the turnover rate is not intended to be calculated.

Note 2: The amount of post collection of receivables from related parties as of February 28, 2026.

Cryomax Cooling System Corp. and Subsidiaries
Business relationships and significant transactions between the parent company and its subsidiaries
January 1 to December 31, 2025

Unit: NTD thousand
(unless otherwise specified)

Table 5

Number (Note 1)	Trader	Counterparty	Relationship with trader (Note 2)	Title	Amount	Transaction Trading conditions	Percentage in total consolidated operating revenue or assets (Note 3)
0	Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	1	Sales revenue	\$ 234,783	Based on the general selling price	8.85
0	Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	1	Accounts receivable	104,088	60-90 days after the end of each month, and collection within 90 days	2.80
0	Cryomax Cooling System Corp.	COOL MAX-WAY AUTO PARTS CO.,LTD.	1	Procurement	245,197	Based on the general purchase price	9.25
0	Cryomax Cooling System Corp.	COOL MAX-WAY AUTO PARTS CO.,LTD.	1	Accounts payable	108,992	Payment within 60-90 days after month-end	2.93
0	Cryomax Cooling System Corp.	Nanjing Cryomax Auto Parts Co., Ltd.	1	Procurement	726,893	Based on the general purchase price	27.41
0	Cryomax Cooling System Corp.	Nanjing Cryomax Auto Parts Co., Ltd.	1	Accounts payable	36,329	Payment within 60 days after the end of each month	0.98
1	COOL MAX-WAY AUTO PARTS CO.,LTD.	Nanjing Cryomax Auto Parts Co., Ltd.	3	Sales revenue	130,000	Based on the general selling price	4.90
1	COOL MAX-WAY AUTO PARTS CO.,LTD.	Nanjing Cryomax Auto Parts Co., Ltd.	3	Accounts receivable	52,205	60-180 days after the end of each month, and collection within 90 days	1.41
2	Nanjing Cryomax Auto Parts Co., Ltd.	CRYOMAX U.S.A INC.	3	Sales revenue	188,179	Based on the general selling price	7.10
2	Nanjing Cryomax Auto Parts Co., Ltd.	CRYOMAX U.S.A INC.	3	Accounts receivable	65,756	Payment within 60 days after the end of each month	1.77
2	Nanjing Cryomax Auto Parts Co., Ltd.	CRYOMAX MEXICO S.A. de C.V.	3	Sales revenue	72,404	Based on the general selling price	2.73
2	Nanjing Cryomax Auto Parts Co., Ltd.	CRYOMAX MEXICO S.A. de C.V.	3	Accounts receivable	47,071	Payment within 90 days after the end of each month	1.27
3	CRYOMAX U.S.A INC.	CRYOMAX MEXICO S.A. de C.V.	3	Other receivables	126,862	The parties shall proceed as agreed	3.41
4	CRYOMAX MEXICO S.A. de C.V.	CRYOMAX U.S.A INC.	3	Sales revenue	106,489	Based on the general selling price	4.02

Note 1: The business transactions between the parent company and its subsidiaries shall be indicated in the "No." column. This column shall be completed as follows:

- (1). 0 is reserved for the parent company.
- (2). Each subsidiary is numbered in sequential order starting from 1.

Note 2: There are three types of relationships with the transaction parties. Please mark the type (there is no need to repeatedly disclose the same transaction between parent and subsidiary companies or between subsidiary companies. If the parent company has disclosed a transaction with a subsidiary, the subsidiary does not have to disclose the transaction again; if a subsidiary has disclosed a transaction with another subsidiary, the other subsidiary does not have to disclose the transaction again):

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

Note 3: For the calculation of the transaction amount as a percentage of the consolidated total revenue or total assets, if it is an asset or liability, the calculation is based on the percentage of the consolidated total assets at the end of the period; if it is an income item, the calculation is based on the percentage of the consolidated total revenue during the period.

Note 4: Transaction amount less than NTD 10 million, not disclosed.

Note 5: Written off in the consolidated financial statements.

Cryomax Cooling System Corp. and Subsidiaries

The name and location of the investee company and other relevant information (excluding investee companies in China)
January 1 to December 31, 2025

Unit: NTD thousand
(unless otherwise specified)

Table 6

Name of investor	Name of investee (Note 1)	Territory	Main business operations	Original investment amount		Held at the end of period			Profit (loss) from investments		Remarks
				End of the period	End of last year	Number of Shares	Ratio	Book Value	Current profit (loss) of investee	recognized in the current period	
Cryomax Cooling System Corp.	CRYOMAX INTERNATIONAL LTD.	British Virgin Islands	General investment business	\$ 705,047	\$ 735,555	22,432,284	100.00	\$ 927,176	\$ 38,892	\$ 38,892	Note 2, 3
Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	United States of America	Trading of automotive parts and components	314,300	327,900	10,000,000	100.00	423,121	6,538	6,538	Note 3
CRYOMAX INTERNATIONAL LTD.	CROHAN INTERNATIONAL LTD.	Samoa	General investment business	734,246	766,018	23,361,325	100.00	942,820	38,961	38,892	Note 3
Cryomax Cooling System Corp.	CRYOMAX MEXICO S.A. de C.V.	Mexico	Manufacturing and trading of automotive parts and components	536,452	419,078	306,658,314	90.00	447,019	(21,776)	(21,776)	Note 4
CRYOMAX U.S.A.INC.	CRYOMAX MEXICO S.A. de C.V.	Mexico	Manufacturing and trading of automotive parts and components	59,625	46,564	34,084,266	10.00	49,669	(2,420)	(2,420)	Note 4

Note 1: The numbers in this table involve foreign currencies, which are converted into NTD at the exchange rate on the balance sheet date.

Note 2: The investment gain or loss recognized in the current period includes the profit or loss from the upstream transactions of the investee company and the realized amount.

Note 3: Written off in the consolidated financial statements.

Note 4: The Company and Cryomax U.S.A. INC. jointly hold 100% of the equity interest in CRYOMAX MEXICO S.A. de C.V. The Company increased its capital by MXN 27,927,045 and MXN 16,596,000 in April and October 2025, respectively, and together with its subsidiary CRYOMAX U.S.A. INC., which increased its capital by MXN 3,114,795 and MXN 1,843,330 in April and October 2025, respectively, acquired 90% and 10% equity interests in the company, resulting in a consolidated shareholding ratio of 100%.

Cryomax Cooling System Corp. and Subsidiaries
Information on investment in China - Basic Information
January 1 to December 31, 2025

Unit: NTD thousand
(unless otherwise specified)

Table 7

Name of investee in Mainland	China	Main business operations	Paid-in capital	Method of investment (Note 1)	Accumulated	Amount of investments		Accumulated	Investee's gains or losses for the period	The	Profit (loss)	Investment book value at the end of the period	Profit received	Remarks
					funds amount of from Taiwan at the beginning of current period	remitted or recovered in current period	from Taiwan at the end of current period	Company's shareholding of direct or indirect investment		from investments recognized in current period (Note 2)	from investments as of the end of current Period			
COOL MAX-WAY AUTO PARTS CO.,LTD.		Manufacturing and trading of automotive parts and components	\$ 314,300	2	\$ 327,900	\$ -	\$ -	\$ 314,300	\$ 21,648	100.00	\$ 21,648	\$ 403,753	\$ 55,728	Note 3, 4
Nanjing Cryomax Auto Parts Co., Ltd.		Manufacturing and trading of automotive parts and components	516,081	2	400,038	-	-	383,446	22,751	100.00	22,751	535,309		-Note 3, 4

Note 1: Investment is classified into following three categories. It is only necessary to mark the type:

- (1). Engaged in direct investment in Mainland China.
- (2). Invest in China through a third regional company (CROHAN INTERNATIONAL LTD.)
- (3). Other method

Note 2: Financial statements reviewed by the parent company's CPA in Taiwan.

Note 3: The numbers in this table involve foreign currencies, which are converted into NTD at the exchange rate on the balance sheet date.

Note 4: Written off in the consolidated financial statements.

Company Name	Accumulated amount of investments from Taiwan to Mainland China at the end of current period (Note 5)	Investment amount approved by the Investment Commission, MOEA (Note 6)	Limit on the amount of investments in Mainland China specified by the Investment Commission, MOEA (Note 7)
Cryomax Cooling System Corp.	\$ 697,746	\$ 773,398	\$ 942,545

Note 5: The accumulated amount of investment in China remitted from Taiwan at the end of the period is US\$22,200 thousand, calculated based on the actual exchange rate.

Note 6: The approved amount is US\$24,607 thousand (including the amount deducted for repatriation of earnings to Taiwan), which was converted in accordance with the average exchange rate on December 31, 2025.

Note 7: The investment limit was calculated based on 60% of the net worth in accordance with the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China," as amended by the Investment Commission, Ministry of Economic Affairs.