

English Translation of Financial Statements and a Report Originally Issued in Chinese

Ticker: 4566

**GLOBAL TEK FABRICATION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH A REPORT OF INDEPENDENT AUDITORS
AS OF DECEMBER 31, 2025 AND 2024
AND FOR THE YEARS THEN ENDED**

Address: 15th floor, No. 94, Section 1, Xintai 5th Road, Xizhi District, New Taipei City, Taiwan
22102

Telephone: (02)2696-3988

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

English Translation of Financial Statements and a Report Originally Issued in Chinese

Consolidated Financial Statements

Index

Item	Page
1. Cover sheet	1
2. Index	2
3. Management representation letter	3
4. Independent Auditors' Audit Report	4-8
5. Consolidated balance sheets	9-10
6. Consolidated statements of comprehensive income	11
7. Consolidated statements of changes in equity	12
8. Consolidated statements of cash flows	13
9. Footnotes to the consolidated financial statements	
(1) History and organization	14
(2) Date and procedures of authorization of financial statements for issue	14
(3) Newly issued or revised standards and interpretations	14-20
(4) Summary of significant accounting policies	21-57
(5) Significant accounting judgments, estimates and assumptions	57-59
(6) Contents of significant accounts	60-126
(7) Related party transactions	126-129
(8) Assets pledged as collaterals	129
(9) Significant contingencies and unrecognized contract commitments	130
(10) Losses due to major disasters	130
(11) Significant subsequent events	130
(12) Others	131-146
(13) Others disclosures	
1. Information on significant transactions	146-147
2. Information on investees	147
3. Information on investments in Mainland China	148-152
(14) Operating segment	152-155

English Translation of Financial Statements and a Report Originally Issued in Chinese

MANAGEMENT REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Global Tek Fabrication Co., Ltd. as of December 31, 2025 and for the year then ended under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, "Consolidated Financial Statement." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Global Tek Fabrication Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Global Tek Fabrication Co., Ltd.

By

Liou, Zu-Ying

Chairman

March 12, 2026

English Translation of Financial Statements and a Report Originally Issued in Chinese
INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors and Shareholders of
Global Tek Fabrication Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Global Tek Fabrication Co., Ltd. (the “Company”) and its subsidiaries as of December 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together referred to as “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audit of a Component Auditor section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2025 and 2024, and its consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, 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 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's consolidated revenue amounted to NT\$4,976,319 thousand for the year ended December 31, 2025, which was a significant account to the Company's consolidated financial statements. The Company and its subsidiaries set up shipping warehouse at the customer's place. The inventory transfer involves the timing of fulfilling performance obligation and needs to be determined based on conditions enacted in the main sales contracts or sales orders. We therefore concluded that there are significant risks with respect to revenue recognition. Our audit procedures therefore include, but not limit to, evaluating the appropriateness of accounting policy regarding revenue recognition, assessing and testing the effectiveness of relevant internal controls related to the determination of revenue amount in the sales cycle, selecting samples from sales breakdown to perform test of details, including checking the consistency of the timing of revenue recognition and performance obligation satisfaction stated in the sale orders or agreements, selecting samples to execute sale cut-off tests for a period before and after the balance sheet date and verify the related certificates to confirm the reasonableness of the timing of transaction. We have also evaluated the appropriateness of the related operating revenue disclosures in Notes 4 and 6 to the consolidated financial statements.

Other Matter – Making Reference to the Audit of a Component Auditor

We did not audit the financial statements of certain subsidiaries of the Group, which were audited by other independent auditors. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the reports of other auditors. The related total assets were NT\$1,311,380 thousand, representing 12.78% of the total consolidated assets, as of December 31, 2024. And the related net revenues of NT\$381,871 thousand, representing 7.96% of the consolidated net revenue for the year then ended.



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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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



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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2025 consolidated financial statements 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.

Other matters

We have audited and expressed an unqualified opinion and an unqualified opinion including an other matter paragraph on the parent-company-only financial statements of the Company as of and for the years then ended December 31, 2025 and 2024, respectively.

/s/Cheng, Ching-Piao

/s/Fu, Wen-Fang

Ernst & Young
March 12, 2026
Taipei, Taiwan,
Republic of China

Notices to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Global Tek Fabrication Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2025 and 2024 (Adjusted)

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Assets		2025		2024 (Adjusted)(Note)	
	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$2,089,586	20	\$1,938,702	19
1110	Financial assets at fair value through profit or loss	4, 6(2)	517	-	518	-
1136	Financial assets measured at amortized cost	4, 6(4), 8	39,645	-	134,825	1
1150	Notes receivables, net	4, 6(5), 8	231,661	2	261,149	3
1170	Accounts receivables, net	4, 6(6)	1,460,232	14	1,423,208	14
1180	Accounts receivables - related parties	6(6),7	-	-	-	-
1197	Financing lease payments receivable, net	4, 6(7)	7,135	-	30,026	-
1200	Other receivables		32,431	-	48,953	1
1210	Other receivables - related parties	7	-	-	54	-
1220	Income tax assets		9,116	-	216	-
1310	Inventories, net	4, 6(8)	1,125,564	11	1,112,913	11
1410	Prepayments		296,151	3	229,936	2
1470	Other current assets		4,217	-	10,325	-
11xx	Total current assets		<u>5,296,255</u>	<u>50</u>	<u>5,190,825</u>	<u>51</u>
	Non-current assets					
1510	Financial assets at fair value through profit or loss	4, 6(2)	25	-	203	-
1517	Financial assets at fair value through other comprehensive income	4, 6(3)	49,946	1	48,666	-
1535	Financial assets measured at amortized cost	4, 6(4), 8	3,115	-	8,110	-
1550	Investments accounted for using the equity method	4, 6(9)	-	-	-	-
1600	Property, plant and equipment	4, 6(10), 8, 9	4,285,235	41	3,962,305	39
1755	Right-of-use assets	4, 6(25)	639,898	6	686,617	7
1760	Investment property, net	4, 6(11)	10,440	-	11,004	-
1780	Intangible assets	4, 6(12)	121,120	1	114,954	1
1840	Deferred tax assets	4, 6(29)	104,101	1	130,877	1
1915	Prepayment for equipment		41,794	-	69,256	1
194D	Long-term financing lease payments receivable	4, 6(7)	957	-	16,614	-
1990	Other non-current assets	4, 6(14), 8	21,470	-	20,831	-
15xx	Total non-current assets		<u>5,278,101</u>	<u>50</u>	<u>5,069,437</u>	<u>49</u>
1xxx	Total Assets		<u>\$10,574,356</u>	<u>100</u>	<u>\$10,260,262</u>	<u>100</u>

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

Note: The Group has completed the assessment of the fair value of AvioCast Inc. and Global Tek (Suzhou) Precision Industry Co., Ltd. on the day of gaining control.

Therefore, the consolidated balance sheets as of December 31, 2024, has been adjusted. For details, please refer to Note 6(31).

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Consolidated Balance Sheets(Continued)

As of December 31, 2025 and 2024 (Adjusted)

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Liabilities and Equity		2025		2024 (Adjusted)(Note)	
	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(15), 8	\$1,007,988	10	\$517,262	5
2130	Contract liabilities	4, 6(23)	16,260	-	46,010	1
2150	Notes payables		123,306	1	173,341	2
2170	Account payables		748,810	7	739,958	7
2180	Account payables - related parties	7	-	-	6,221	-
2200	Other payables	6(16)	658,295	6	630,147	6
2220	Account payables - related parties	7	-	-	31,862	1
2230	Current income tax liabilities	4	9,925	-	15,974	-
2280	Lease liabilities	4, 6(25)	26,339	-	26,475	-
2321	Current portion of bonds payable	4, 6(17)	40,899	1	100	-
2322	Current portion of long-term loans	4, 6(18), 8	189,544	2	452,758	4
2399	Other current liabilities		6,023	-	4,843	-
21xx	Total current liabilities		<u>2,827,389</u>	<u>27</u>	<u>2,644,951</u>	<u>26</u>
	Non-current liabilities					
2530	Corporate bonds payable	4, 6(17)	-	-	44,587	-
2540	Long-term loans	4, 6(18), 8	1,875,314	18	1,674,479	16
2570	Deferred income tax liabilities	4, 6(29)	252,445	2	259,947	3
2580	Lease liabilities	4, 6(25)	550,284	5	574,172	6
2600	Other non-current liabilities	4, 6(19), 6(20)	32,450	-	12,496	-
25xx	Total non-current liabilities		<u>2,710,493</u>	<u>25</u>	<u>2,565,681</u>	<u>25</u>
2xxx	Total liabilities		<u>5,537,882</u>	<u>52</u>	<u>5,210,632</u>	<u>51</u>
31xx	Equity Attributable to Shareholders of the Parent					
3100	Capital					
3110	Common stock		1,098,118	10	1,097,208	11
3200	Capital Surplus	6(21)	2,812,750	27	2,805,479	27
3300	Retained Earnings					
3310	Legal Reserve		202,156	2	181,468	2
3320	Special Reserve		26,425	-	96,677	1
3350	Unappropriated Earnings		805,080	8	796,880	8
3400	Other components of equity		2,762	-	(26,337)	-
36xx	Non-controlling interests		89,183	1	98,255	-
3xxx	Total equity		<u>5,036,474</u>	<u>48</u>	<u>5,049,630</u>	<u>49</u>
3x2x	Total liabilities and equity		<u>\$10,574,356</u>	<u>100</u>	<u>\$10,260,262</u>	<u>100</u>

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

Note: The Group has completed the assessment of the fair value of AvioCast Inc. and Global Tek (Suzhou) Precision Industry Co., Ltd. on the day of gaining control.

Therefore, the consolidated balance sheets as of December 31, 2024, has been adjusted. For details, please refer to Note 6(31).

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2025 and 2024 (Adjusted)

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Accounts	Notes	2025		2024 (Adjusted)(Note)	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(23), 7	\$4,976,319	100	\$4,797,370	100
5000	Operating costs		<u>(3,874,258)</u>	<u>(78)</u>	<u>(3,756,449)</u>	<u>(78)</u>
5900	Gross profit		<u>1,102,061</u>	<u>22</u>	<u>1,040,921</u>	<u>22</u>
	Operating expenses	7				
6100	Sales and marketing		(281,584)	(6)	(317,464)	(7)
6200	General and administrative		(420,824)	(8)	(367,172)	(8)
6300	Research and development		(191,122)	(4)	(177,366)	(4)
6450	Expected credit (losses) gains	6(24)	<u>11,719</u>	<u>-</u>	<u>(21,443)</u>	<u>-</u>
6900	Total operating expenses		<u>(881,811)</u>	<u>(18)</u>	<u>(883,445)</u>	<u>(19)</u>
6900	Operating income		<u>220,250</u>	<u>4</u>	<u>157,476</u>	<u>3</u>
	Non-operating incomes and expenses					
7100	Interest income	6(27), 7	36,300	1	68,257	1
7010	Other revenue	6(27), 7	119,953	3	122,554	3
7020	Other gains and losses	6(27), 7	(93,267)	(2)	3,751	-
7050	Finance costs	6(27)	(81,364)	(2)	(78,052)	(1)
7060	Share of profit or loss of associates and joint ventures accounted for under the equity method	6(9)	-	-	5,105	-
7000	Total non-operating income and expenses		<u>(18,378)</u>	<u>-</u>	<u>121,615</u>	<u>3</u>
7900	Income before income tax		201,872	4	279,091	6
7950	Income tax expense	4, 6(29)	<u>(64,649)</u>	<u>(1)</u>	<u>(82,231)</u>	<u>(2)</u>
8200	Net income		<u>137,223</u>	<u>3</u>	<u>196,860</u>	<u>4</u>
8300	Other comprehensive income (loss)	6(28)				
8310	Items that not be reclassified to profit or loss					
8311	Remeasurements of defined benefit plans		272	-	2,313	-
8316	Unrealized gain (loss) on equity instrument investment measured at fair value through other comprehensive income		1,280	-	(19,195)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		<u>31,401</u>	<u>-</u>	<u>69,226</u>	<u>1</u>
	Total other comprehensive income (loss), net of tax		<u>32,953</u>	<u>-</u>	<u>52,344</u>	<u>1</u>
8500	Total comprehensive income (loss)		<u>\$170,176</u>	<u>3</u>	<u>\$249,204</u>	<u>5</u>
8600	Net income attributable to:					
8610	Shareholders of the parent		\$148,979	3	\$248,039	5
8620	Non-controlling interests		<u>(11,756)</u>	<u>-</u>	<u>(51,179)</u>	<u>(1)</u>
			<u>\$137,223</u>	<u>3</u>	<u>\$196,860</u>	<u>4</u>
8700	Comprehensive income attributable to:					
8710	Shareholders of the parent		\$181,696	4	\$300,677	6
8720	Non-controlling interests		<u>(11,520)</u>	<u>(1)</u>	<u>(51,473)</u>	<u>(1)</u>
			<u>\$170,176</u>	<u>3</u>	<u>\$249,204</u>	<u>5</u>
9750	Earnings per share - basic (in NT\$)	6(30)	<u>\$1.36</u>		<u>\$2.48</u>	
9850	Earnings per share - diluted (in NT\$)	6(30)	<u>\$1.35</u>		<u>\$2.31</u>	

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

Note: The Group has completed the assessment of the fair value of AvioCast Inc. and Global Tek (Suzhou) Precision Industry Co., Ltd. on the day of gaining control.

Therefore, the consolidated statements of comprehensive income (loss) for the year ended December 31, 2024, has been adjusted, reducing the net income after tax in the amount of NT\$12,508 thousand.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2025 and 2024 (Adjusted)

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Item	Equity Attributable to Shareholders of the Parent									Non-controlling Interests	Total Equity
		Common Stock	Capital Surplus	Retained Earnings			Other Components of equity			Total		
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences on translation of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income (loss)	Cost of unearned employee compensation			
3100	3200	3310	3320	3350	3410	3420	3490	31XX	36XX	3XXX		
A1	Balance as of January 1, 2024	\$910,414	\$2,109,225	\$155,987	\$72,027	\$779,442	\$(109,329)	\$12,652	\$-	\$3,930,418	\$-	\$3,930,418
	Appropriation and distribution of 2023 earnings:											
B1	Legal Reserve			25,481		(25,481)				-		-
B3	Special Reserve				24,650	(24,650)				-		-
B5	Cash dividends - common shares					(131,000)				(131,000)		(131,000)
D1	Net income for 2024 (Adjusted) (Note)					248,039				248,039	(51,179)	196,860
D3	Other comprehensive income (loss) for 2024					2,313	69,520	(19,195)		52,638	(294)	52,344
D5	Total comprehensive income (loss)	-	-	-	-	250,352	69,520	(19,195)	-	300,677	(51,473)	249,204
I1	Conversion of convertible bonds	186,794	696,254							883,048		883,048
O1	Non-controlling interests increase (decrease)										117,960	117,960
M7	Change in ownership interests in subsidiaries					(31,768)				(31,768)	31,768	-
Q1	Disposal of equity instruments measured at fair value through other comprehensive income					(20,015)		20,015		-		-
Z1	Balance as of December 31, 2024 (Adjusted) (Note)	1,097,208	2,805,479	181,468	96,677	796,880	(39,809)	13,472	-	4,951,375	98,255	5,049,630
	Appropriation and distribution of 2024 earnings											
B1	Legal Reserve			20,688		(20,688)				-		-
B5	Cash dividends - common shares					(165,000)				(165,000)		(165,000)
B17	Reversal of special reserve				(\$70,252)	70,252				-		-
D1	Net income for 2025					148,979				148,979	(11,756)	137,223
D3	Other comprehensive income (loss) for 2025					272	31,165	1,280	-	32,717	236	32,953
D5	Total comprehensive income (loss)	-	-	-	-	149,251	31,165	1,280	-	181,696	(11,520)	170,176
I1	Conversion of convertible bonds	910	3,646							4,556		4,556
M7	Change in ownership interests in subsidiaries					(25,615)				(25,615)	2,448	(23,167)
T1	Restricted stock units for employees and others		3,625						(3,346)	279	-	279
Z1	Balance as of December 31, 2025	\$1,098,118	\$2,812,750	\$202,156	\$26,425	\$805,080	\$(8,644)	\$14,752	\$(3,346)	\$4,947,291	\$89,183	\$5,036,474

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

Note: The Group has completed the assessment of the fair value of AvioCast Inc. and Global Tek (Suzhou) Precision Industry Co., Ltd. on the day of gaining control.

Therefore, the consolidated statements of changes in equity for the year ended December 31, 2024, and the balance as of January 1, 2025, have been adjusted. For details, please refer to Note 6(31).

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2025 and 2024 (Adjusted)

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Item	2025	2024 (Adjusted) (Note)	Code	Item	2025	2024 (Adjusted) (Note)
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$201,872	\$279,091	B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(683)
A20000	Adjustments:			B00020	Proceeds from disposal of financial assets measured at fair value through other comprehensive income	-	13,382
A20010	Income and expense adjustments:			B00040	Acquisition of financial assets measured at amortized cost	100,175	(140,123)
A20100	Depreciation (including right-of-use assets)	336,436	269,519	B01800	Acquisition of investment accounted for under equity method	-	(69,750)
A20200	Amortization	15,630	18,537	B02200	Acquisition of property, plant and equipment	(468,535)	(255,722)
A20300	Expected credit losses (gain)	(11,719)	21,443	B02700	Acquisition of subsidiary(net of cash received)	-	111,999
A20400	Net loss (gain) of financial assets at fair value through profit or loss	179	906	B02800	Proceeds from disposal of property, plant and equipment	4,240	8,029
A20900	Interest expense	81,364	78,052	B03700	Decrease (increase) in refundable deposits	411	(1,751)
A21200	Interest income	(36,300)	(68,257)	B04300	Decrease (increase) in other receivables - related parties	-	17,646
A21300	Dividend income	-	(1,267)	B04500	Acquisition of intangible assets	(8,734)	(6,480)
A21900	Cost of share-based payments awards	279	-	B06000	Decrease (increase) in financing lease payments receivable	39,214	35,986
A22300	Share of profit or loss of associates and joint ventures accounted for under the equity method	-	(5,105)	B07100	Increase in prepayments for equipment	(137,415)	(180,664)
A22500	Loss (gain) on disposal of property, plant and equipment	4,183	26,278	BBBB	Net cash provided by (used in) investing activities	(470,644)	(468,131)
A23100	Loss(gain) on disposal of investment	-	(11,572)				
A23700	Impairment loss (gain) on non-financial assets	-	95,929				
A29900	Loss on inventory valuation	(25,280)	54,834				
A29900	Gain on government grants	(1,323)	(1,219)				
A30000	Changes in operating assets and liabilities:			CCCC	Cash flows from financing activities:		
A31130	Notes receivables	29,488	(103,152)	C00100	Increase in (repayment of) short-term loans	490,726	103,624
A31150	Accounts receivables	(25,564)	(72,107)	C01600	Increase in long-term loans	576,775	100,000
A31180	Other receivables	14,295	23,709	C01700	Repayment of long-term loans	(641,368)	(187,922)
A31200	Inventories	11,500	16,164	C03000	Increase (decrease) in guarantee deposits	(401)	1,908
A31230	Prepayments	(63,982)	(30,034)	C04020	Cash payments for the principal portion of the lease liabilities	(43,559)	(35,740)
A31240	Other current assets	6,108	(3,857)	C04500	Cash dividends paid	(165,000)	(131,000)
A32125	Contract liabilities	(29,750)	11,093	C05800	Increase (decrease) in non-controlling interests	(23,167)	605
A32130	Notes payables	(50,035)	1,681	CCCC	Net cash provided by (used in) financing activities	194,006	(148,525)
A32150	Accounts payable	2,631	(26,243)				
A32180	Other payables	25,363	85,257	DDDD	Effect of exchange rate changes	36,870	42,916
A32190	Other payables - related parties	-	(18,038)				
A32230	Other current liabilities	1,180	(988)				
A32240	Net defined benefit liabilities	(580)	(1,144)				
A32250	Deferred revenue	1,818	-				
A33000	Cash generated from (used in) operations	487,793	639,510	EEEE	Increase (decrease) in cash and cash equivalents	150,884	(26,636)
A33100	Interest received	37,732	66,465	E00100	Cash and cash equivalents at beginning of period	1,938,702	1,965,338
A33200	Dividend received	-	1,267	E00200	Cash and cash equivalents at end of period	\$2,089,586	\$1,938,702
A33300	Interest paid	(64,392)	(60,802)				
A33500	Income tax paid	(70,481)	(99,336)				
AAAA	Net cash provided by (used in) operating activities	390,652	547,104				

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

Note: The Group has completed the assessment of the fair value of AvioCast Inc. and Global Tek (Suzhou) Precision Industry Co., Ltd. on the day of gaining control. Therefore, the consolidated statements of cash flows for the year ended December 31, 2024, has been adjusted.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to the Consolidated Financial Statements

As of December 31, 2025 and 2024 and For the years then ended

(Amounts Expressed In Thousands Of New Taiwan Dollars Unless Otherwise Specified)

1. HISTORY AND ORGANIZATION

Global Tek Fabrication Co., Ltd. (the “Company”) was incorporated on November 7, 2008. Its main business activities include the manufacture of precision machining, and the main products are industrial automatic control parts, communication parts, aviation equipment parts, etc. The Company's stocks were publicly listed on the Taiwan Stock Exchange (TWSE) on February 5, 2018. The Company’s registered office is at 15th floor, No. 94, Section 1, Xintai 5th Road, Xizhi District, New Taipei City, Taiwan 22102.

2. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Company and subsidiaries (“the Group”) for the years ended December 31, 2025 and 2024 were authorized for issue by its board of directors (hereinafter the “Board of Directors”) on March 12, 2026.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments and interpretation of initial application had no material impact on the Group.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have been endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 17 “Insurance Contracts”	January 1, 2023
B	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
C	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
D	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

(A) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(B) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(C) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(2) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(5) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(D) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify the application of the ‘own-use’ requirements.
- (2) Permit hedge accounting if these contracts are used as hedging instruments.
- (3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and amendments are applicable for annual periods beginning on or after January 1, 2026 and have no material impact on the Group.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as of the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
B	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
C	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
D	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

Note: On September 25, 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

- A. IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

B. IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

a. Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

b. Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

c. Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

C. Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

D. Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

- a. Clarify that when the entity's functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.
- b. In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
- c. When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed under (B), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are presented in thousands of New Taiwan Dollars (“NT\$”) unless otherwise specified.

(3) Basis of consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- (a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) Exposure, or rights, to variable returns from its involvement with the investee, and
- (c) The ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee
- (b) Rights arising from other contractual arrangements
- (c) The Company's voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the NCIs even if this results in a deficit balance of the NCIs.

If the Company loses control of a subsidiary, it:

- (a) Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- (b) Derecognizes the carrying amount of any non-controlling interest;
- (c) Recognizes the fair value of the consideration received;
- (d) Recognizes the fair value of any investment retained;
- (e) Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or directly transferred to retained earnings in accordance with other IFRS requirements; and
- (f) Recognizes the difference arise in profit or loss for the period.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			As of December 31,	
			2025	2024
The Company	Global Tek Co., Ltd.	Precision machining	100.00%	100.00%
The Company	Global Tek Fabrication Co., Ltd. (Samoa)	Investing activities	100.00%	100.00%
The Company	Global Tek GmbH	Trading activities	100.00%	100.00%
The Company	AvioCast Inc.	Aerospace aluminum alloy manufacturing	59.56% (Note 1)	59.56% (Note 1)
The Company	GLOBAL TEK 株式会社	Trading activities	90.00% (Note 2)	90.00% (Note 2)
The Company	GLOBAL TEK GROUP (THAI) CO., LTD.	Precision machining	100.00% (Note 3)	100.00% (Note 3)
The Company	GLOBAL TEK AVIATION (THAI) CO., LTD.	Precision machining	100.00% (Note 4)	100.00% (Note 4)
AvioCast Inc.	ALTEMIS INC.	Aerospace aluminum alloy manufacturing	-% (Note 1)	-% (Note 1)
Global Tek Co., Ltd.	Global Tek, Inc. (Formerly named: GP TECH, INC.) (Note 7)	Trading activities	100.00%	100.00%

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			As of December 31,	
			2025	2024
Global Tek Fabrication Co., Ltd. (Samoa)	Global Tek Co., LTD. (Samoa)	Investing activities	100.00%	100.00%
Global Tek Fabrication Co., Ltd. (Samoa)	Global Tek Fabrication Co., Ltd. (HK)	Investing activities	92.76%	92.76%
Global Tek Fabrication Co., LTD. (Samoa)	Global Tek (Suzhou) Precision Industry Co., Ltd. (Formerly named: Top Yes (Suzhou) Precision Industry Co., Ltd.) (Note 5)	Precision machining	22.10% (Note 5)	22.10% (Note 5)
Global Tek Co., LTD. (Samoa)	Global Tek Fabrication Co., Ltd. (HK)	Investing activities	7.24%	7.24%
Global Tek Co., LTD. (Samoa)	Global Tek (Xi'An) Co., Ltd.	Precision machining	100.00%	100.00%
Global Tek Co., LTD. (Samoa)	Global Tek (Wuxi) Co., Ltd.	Precision machining	47.02%	47.02%
Global Tek Fabrication Co., Ltd. (HK)	Global Tek (Wuxi) Co., Ltd.	Precision machining	52.98%	52.98%

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			As of December 31,	
			2025	2024
Global Tek (Wuxi) Co., Ltd.	Global Tek (Suzhou) Precision Industry Co., Ltd. (Formerly named: Top Yes (Suzhou) Precision Industry Co., Ltd.) (Note 5)	Precision machining	68.24% (Note 5)	31.21% (Note 5)
Global Tek (Xi'An) Co., Ltd.	Globaltek Xi'An Machinery Manufacturing Co., Ltd.	Trading activities	-% (Note 6)	100.00%
Global Tek (Xi'An) Co., Ltd.	Global Tek Metal Manufacturing (Shaanxi) Co., Ltd.	Trading activities	100.00%	100.00%

Note 1: The Group signed a Share Purchase Agreement with Sumitomo Precision Products Co., Ltd. on March 8, 2021. The Company intends to purchase 9,842 thousand ordinary shares of AvioCast Inc. at NT\$12.1 per share (totaling NT\$119,088 thousand), with an ownership percentage of 36.72%, acquiring significant influence of the AvioCast Inc. The transaction has been completed on April 21, 2021.

On December 28, 2023, the Group's board of directors resolved to purchase 3,300 thousand ordinary shares of AvioCast Inc. at NT\$24,750 thousand. As a result of the offering, the Group's share interest on AvioCast Inc. increased from 36.72% to 49.03%. The transfer of shareholding rights has completed on March 13, 2024.

To continue the vertical integration of its production supply chain and deepen its aerospace product line, the Group's board of directors resolved on March 14, 2024, to purchase 319 thousand shares from AvioCast Inc.'s shareholders, increasing its share interest from 49.03% to 50.23%. The Group gained control and included AvioCast Inc. as part of its consolidated financial statements in April 2024.

On October 9, 2024, the Group's board of directors resolved to purchase 2,500 thousand ordinary shares of AvioCast Inc. at NT\$45,000 thousand. As a result of the offering, the Group's share interest on AvioCast Inc. increased from 50.23% to 59.56%. The transfer of shareholding rights has completed on November 25, 2024.

On October 1, 2024, AvioCast Inc. absorbed and merged with ALTEMIS INC. After the merger, AvioCast Inc. is the surviving company, while ALTEMIS INC. is the dissolved company.

Note 2: To enhance the Group's operational efficiency, the Company established a subsidiary, GLOBAL TEK 株式会社, with a 90% ownership percentage. The company completed its registration in April 2024.

Note 3: To enhance the Group's operational efficiency, the Company established a subsidiary, Global Tek GROUP (THAI) Co., Ltd., with a 100% ownership percentage. The company completed the related registration changes in June 2024.

Note 4: To enhance the Group's operational efficiency, the Company established a subsidiary, Global Tek AVIATION (THAI) Co., Ltd., with a 100% ownership percentage. The company completed the related registration changes in June 2024.

Note 5: On August 8, 2019, the Group acquired partial equity of Top Yes (Suzhou) Precision Industry Co., Ltd. for RMB3,000 thousand upon board resolution, considering the scale of operation, long-term development and competitiveness enhancement. The Group obtained two of the five directorship seats which has a significant impact on the company.

On March 25, 2022, considering the operational development plan and to strengthen the strategic partnership, the Group's board of directors resolved to invest RMB30,000 thousand (approximately USD4,724 thousand) through Global Tek Fabrication Co., Ltd. (Samoa) to acquire partial ownership of Top Yes (Suzhou) Precision Industry Co., Ltd., which has been approved by the Investment Committee of the Ministry of Economic Affairs with Letter Jing-Shen-Er-Zi No.11100053870. As of March 31, 2024, the investment amount of RMB30,000 thousand (approximately USD4,724 thousand) had been remitted.

On December 27, 2022, the Group's board of directors resolved to increase its investment in Top Yes (Suzhou) Precision Industry Co., Ltd. through sub-subsidiary Global Tek (Wuxi) Co., Ltd. As of December 31, 2022, the Group has remitted the investment amount to RMB6,000 thousand (approximately US\$945 thousand).

In May 2024, Top Yes (Suzhou) Precision Industry Co., Ltd. completed a cash capital increase. The Group's equity percentage increased from 4.11% to 31.21% through its subsidiary, Global Tek (Wuxi) Co., Ltd., and through its subsidiary Global Tek Fabrication Co., LTD. (Samoa), the ownership percentage was 22.10%. The Group's final consolidated ownership percentage reached 53.31%, thereby gaining control of the company in May 2024, and it was included as a part of the Group's consolidated financial statements.

The Group's equity percentage increased from 31.21% to 68.24% through its subsidiary Global Tek (Wuxi) Co., Ltd. by purchased 37.03% interests from Top Yes Precision Metal Products Co., LTD, the shareholder of Global Tek (Suzhou) Precision Industry Co., Ltd. The transfer of shareholding rights has completed in July 2025.

Top Yes (Suzhou) Precision Industry Co., Ltd. completed its name change on September 26, 2025, and is now known as Global Tek (Suzhou) Precision Industry Co., Ltd.

Note 6: Globaltek (Xi'An) Machinery Manufacturing Co., Ltd. completed its deregistration on July 2025.

Note 7: GP TECH, INC. completed its company name change on December 29, 2025, and was renamed Global Tek, Inc.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT\$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
- (c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interest in that foreign operation, instead of recognized in profit or loss. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction for assets and liabilities

An asset is classified as current when:

- (a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
- (b) The Group holds the asset primarily for the purpose of trading.
- (c) The Group expects to realize the asset within twelve months after the reporting period.
- (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (a) The Group expects to settle the liability in its normal operating cycle.
- (b) The Group holds the liability primarily for the purpose of trading.
- (c) The liability is due to be settled within twelve months after the reporting period.
- (d) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- (a) The Group's business model for managing the financial assets and;
- (b) The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- (a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and;
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- (a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) The time value of money; and
- (c) The reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- (d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has been increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

Financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired.
- (b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
- (c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- (b) On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- (a) It eliminates or significantly reduces a measurement or recognition inconsistency; or
- (b) A group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(9) Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials –By actual purchase cost with weighted average method.

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(12) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorate basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Group estimates:

- (a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- (b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(13) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	3~51 years
Machinery and equipment	1~10 years
Transportation equipment	3~10 years
Office equipment	2~10 years
Other equipment	1~10 years
Lease improvements	3~15 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year. If the expected values differ from the estimates, the differences are recorded as a change in accounting estimate.

(14) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operatio, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5~20 years
-----------	------------

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers properties to or from investment properties according to the actual use of the properties.

The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(15) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(16) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale
- (b) The technical feasibility of completing the intangible asset so that it will be available for use or sale
- (c) How the asset will generate future economic benefits
- (d) The availability of resources to complete the asset
- (e) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

A summary of the policies applied to the Group's intangible assets is as follows:

	Internally Generated Intangible Assets	Computer Software
Useful lives	2 to 15 years	3 to 5 years
Amortization method used	Amortized on a straight-line basis over the expected future sales period of the related project	Straight-line method during the contract term
Internally generated or acquired	Internally generated	Acquired externally

(17) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(18) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(19) Revenue recognition

The Group's revenue arising from contracts with customers mainly sale of goods. The accounting policies for the Group's type of revenue are explained as follow:

Sale of goods

The Group mainly manufactures and sells of its products. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is cars, industry and aviation parts and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. The Group estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The credit period of the Group's sale of goods is from 60 to 120 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers therefore there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

(20) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(21) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- (a) the date of the plan amendment or curtailment, and
- (b) the date that the Group recognizes restructuring-related costs or termination benefits

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(22) Share-based payment transactions

The cost of equity-settled transactions between the Group and its employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Group recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

(23) Income taxes

Income tax expense (benefit) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

(24) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 Financial Instruments either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including income approach (for example, the discounted cash flows model) or the market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

(c) Accounts receivables—estimation of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(d) Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

(e) Post-employment benefits

The cost of post-employment benefit pension plan and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions, including the change in the discount rate and expected salary level. The assumptions used for measuring pension cost and defined benefit obligation are disclosed in Note 6.

(f) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carry forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	As of December 31,	
	2025	2024
Cash and petty cash	\$1,673	\$2,034
Checkings and savings	1,492,910	1,093,861
Time deposit(Note)	595,003	842,807
Total	<u>\$2,089,586</u>	<u>\$1,938,702</u>

Note: The contract will expire within three months and it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

(2) Financial asset measured at fair value through profit or loss

	As of December 31,	
	2025	2024
Mandatorily measured at fair value through profit or loss:		
Convertible corporate bond redemption rights	\$25	\$203
Non-derivative financial assets		
- Certificate of benefit of the fund	517	518
Total	<u>\$542</u>	<u>\$721</u>
Current	<u>\$517</u>	<u>\$518</u>
Non-current	<u>\$25</u>	<u>\$203</u>

No financial assets at fair value through profit or loss was pledged as collateral.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

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

	As of December 31,	
	2025	2024
Equity instruments investments measured at fair value through other comprehensive income – Non-current:		
Unlisted companies stocks		
Techplasma Technology Co., Ltd.	\$49,946	\$48,666
Total	\$49,946	\$48,666

(a) No financial assets at fair value through other comprehensive income was pledged as collateral.

(b) On January 9, 2020, the board of directors resolved to invest in Techplasma Technology Co., Ltd. according to the medium and long-term strategy, and expected to make profits through long-term investment.

In 2023, the Group increased investing NT\$5,193 thousand in Techplasma Technology Co., Ltd., and obtained 164 thousand shares.

(c) The Group's 19% equity investment in Malaysia-based Allied Advantage Sdn Bhd in July 2020 lost material influence following the resignation of the director from the company. Because it is a medium-to-long-term strategic investment, the Group chose to designate the investment as measured at fair value through other comprehensive income.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

In consideration of the Company's investment strategy, the Company disposed and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the year ended December 31, 2024 are as follow:

	<u>For the year ended December 31,</u> <u>2024</u>
The fair value of the investments at the date of derecognition	\$13,382
The cumulative loss on disposal reclassified from other equity to retained earnings	(2,257)

- (d) On December 24, 2020, the board of directors resolved to invest in Formtechnology GmbH according to the medium- and long-term strategy, and it is expected to make profits through long-term investment. The investment was completed in April 2021.

Formtechnology GmbH filed the bankruptcy to local Court in Germany and the local Court appointed provisional assignee in December 2024. As of December 31, 2025, the bankruptcy and liquidation has not been completed. Details on derecognition of such investments for the year ended December 31, 2024 is as follows:

	<u>For the year ended December 31,</u> <u>2024</u>
The fair value of the investments at the date of derecognition	\$-
The cumulative loss on disposal reclassified from other equity to retained earnings	(17,758)

- (e) The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income amount to NT\$0 and NT\$1,267 thousand for the years ended December 31, 2025 and 2024, respectively.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(4) Financial assets measured at amortized cost

	As of December 31,	
	2025	2024
Restricted of deposits	\$42,760	\$142,935
Current	\$39,645	\$134,825
Non-current	\$3,115	\$8,110

The Group transacts with financial institutions with good credit rating. Consequently, there is no significant credit risk.

The Group classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge.

(5) Notes receivables

	As of December 31,	
	2025	2024
Notes receivables arising from operating activities	\$231,661	\$261,149
Less: loss allowance	-	-
Total	\$231,661	\$261,149

Please refer to Note 8 for more details on assets pledged as collaterals.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(24) for more details on loss allowance and Note 12 for more details on credit risk.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(6) Accounts receivable and accounts receivable-related parties, net

(a) Accounts receivables and accounts receivable-related parties, net

	As of December 31,	
	2025	2024
Accounts receivables, gross	\$1,598,712	\$1,463,900
Less: loss allowance	(138,480)	(40,692)
Subtotal	1,460,232	1,423,208
Accounts receivables – related parties, gross	-	109,248
Less: loss allowance	-	(109,248)
Subtotal	-	-
Total	\$1,460,232	\$1,423,208

(b) Please refer to Note 8 for more details on assets pledged as collaterals.

(c) Accounts receivables are generally on 60 ~ 120 day terms. The total carrying amount for the years ended December 31, 2025 and 2024, were NT\$1,598,712 thousand and NT\$1,573,148 thousand, respectively. Please refer to Note 6(24) for more details on loss allowance of accounts receivables for the years ended December 31, 2025 and 2024, respectively. Please refer to Note 12 for more details on credit risk management.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(7) Financing lease payments receivable

	As of December 31,			
	2025		2024	
	Net investment in leases	Present value of receivables on minimum lease payments	Net investment in leases	Present value of receivables on minimum lease payments
Not more than one year	\$7,188	\$7,135	\$30,852	\$30,026
More than one year but less than five years	966	957	16,779	16,614
Total non-discounted lease payments	8,154	<u>\$8,092</u>	47,631	<u>\$46,640</u>
Less: Unearned finance income	(62)		(991)	
Gross investment in the lease (Financing lease payments receivable)	<u>\$8,092</u>		<u>\$46,640</u>	
Current	\$7,135		\$30,026	
Non-current	957		16,614	
Total	<u>\$8,092</u>		<u>\$46,640</u>	

(a) Financial lease payments receivable were not pledged.

(b) The Group has signed financial lease agreements for some machines and equipment. All leases are presented in New Taiwan Dollars, and the average financial lease period is 1 to 5 years.

The implied interest rate of the lease during the lease period will not change after the contract date is determined. As of December 31, 2025 and 2024, the implied interest rate of the financial lease is 2.0% to 2.5% per annum.

Finance lease receivables are secured by leased equipment. The Group shall not sell or repledge the collateral unless the lessee defaults.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(c)The Group adopts the simplified approach of IFRS 9 to measure the allowance loss of lease receivables based on expected credit losses during the duration. Lease receivables are secured by leased equipment. As of December 31, 2025 and 2024, there were no overdue lease receivables, and at the same time, the counterparty's past record of default, the future development of the relevant properties of the leased object and collateral, the Group believes that the above-mentioned lease receivables have no impairment.

(8)Inventories

(a)Detail of inventories are listed below:

	As of December 31,	
	2025	2024
Raw materials	\$162,833	\$174,756
Work in progress	365,071	343,516
Finished goods	513,395	493,763
Merchandises	84,265	100,878
Total	<u>\$1,125,564</u>	<u>\$1,112,913</u>

(b)The cost of inventories recognized in expenses amounted to NT\$3,874,258 thousand and NT\$3,756,449 thousand for the years ended December 31, 2025 and 2024, respectively. The following losses were included in cost of sales:

Item	For the year ended December 31,	
	2025	2024
Loss(Gain) from inventory market decline	\$(25,280)	\$54,834
Unallocated manufacturing overhead	40,601	30,599
Loss(Gain) from inventory physical count	219	8
Loss from inventory write-off obsolescence	18,151	9,963
Total	<u>\$33,691</u>	<u>\$95,404</u>

For the years ended December 31, 2025, evaluating the previous slow-moving inventories has been disposed, the Group recognized the reversal gain, which loss from inventory market decline.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(c) The inventories were not pledged.

(9) Investments accounted for using the equity method

Investee	As of December 31,			
	2025		2024	
	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership
Investment in associates:				
AvioCast Inc.	\$-	-%	\$-	-%
Global Tek (Suzhou) Precision Industry Co., Ltd.	-	-%	-	-%
Total	<u>\$-</u>		<u>\$-</u>	

(a) The Group signed a Share Purchase Agreement with Sumitomo Precision Products Co., Ltd. on March 8, 2021. The Company intends to purchase 9,842 thousand ordinary shares of AvioCast Inc. at NT\$12.1 per share (totaling NT\$119,088 thousand), with an ownership percentage of 36.72%, acquiring significant influence of the AvioCast Inc. The transaction has been completed on April 21, 2021.

On December 28, 2023, the Group's board of directors resolved to purchase 3,300 thousand ordinary shares of AvioCast Inc. at NT\$24,750 thousand. As a result of the offering, the Group's share interest on AvioCast Inc. increased from 36.72% to 49.02%. The transfer of shareholding rights has completed on March 31, 2024.

To continue the vertical integration of its production supply chain and deepen its aerospace product line, the Group's Board of Directors resolved on March 14, 2024, to purchase 319 thousand shares from AvioCast Inc.'s shareholders, increasing its share interest from 49.03% to 50.23%. The Group gained control and included AvioCast Inc. as part of its consolidated financial statements in April 2024.

(b) On August 8, 2019, the Group acquired partial equity of Global Tek (Suzhou) Precision Industry Co., Ltd. for RMB 3,000 thousand upon board resolution, considering the scale of operation, long-term development and enhancing competitiveness. The Group obtained two of the five directorship seats which has a significant impact on the company.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

On March 25, 2022, considering the operational development plan and to strengthen the strategic partnership, the Group's board of directors resolved to invest RMB 30,000 thousand (approximately US\$ 4,725 thousand) through Global Tek Fabrication Co., Ltd. (Samoa) to acquire partial ownership of Global Tek (Suzhou) Precision Industry Co., Ltd., which has been approved by the Investment Committee of the Ministry of Economic Affairs with Letter Jing-Shen-Er-Zi No.11100053870. As of December 31, 2024, the investment amount of RMB 30,000 thousand (approximately US\$ 4,725 thousand) had been remitted.

On December 27, 2022, the Group's board of directors resolved to increase its investment in Global Tek (Suzhou) Precision Industry Co., Ltd. through sub-subsidiary Global Tek (Wuxi) Co., Ltd. As of December 31, 2022, the Group has remitted the investment amount to RMB6,000 thousand (approximately US\$945 thousand).

In May 2024, Global Tek (Suzhou) Precision Industry Co., Ltd. completed a cash capital increase. The Group's equity percentage increased from 4.11% to 31.21% through its subsidiary, Global Tek (Wuxi) Co., Ltd., and to 22.10% through its subsidiary, Global Tek Fabrication Co., LTD. (Samoa). The Group's consolidated ownership percentage reached 53.31%, gaining control of the company, and it was included as a part of the Group's consolidated financial statements in May 2024.

(c) Investment in associates

As of December 31, 2025 and 2024, the aggregate carrying amount of the Group's interests in AvioCast Inc. and Global Tek (Suzhou) Precision Industry Co., Ltd. were both NT\$0. The aggregate financial information based on Group's share as follows:

	For the year ended December 31,	
	2025	2024
Profit or loss from continuing operations	\$-	\$5,105
Other comprehensive income (post-tax)	-	-
Total comprehensive income (loss)	\$-	\$5,105

There aforementioned associates had no contingent liabilities or capital commitments and were not under pledge as of December 31, 2025 and 2024.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(d) The Group's investment accounted for under equity method as of December 31, 2025 and 2024 were both NT\$0. For the year ended December 31, 2025 and 2024 share of investment loss from these associates and joint venture amount to NT\$0 thousand and NT\$5,105 thousand, respectively. They were measured based on the audited financial statements of the investee for the same correspondent periods.

(e) Investment accounted for under equity method were no pledged.

(10) Property, plant and equipment

	As of December 31,	
	2025	2024
Owner occupied property, plant and equipment	\$4,285,235	\$3,962,305

(a) Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Lease improvements	Construction in	Total
								progress and equipment awaiting examination	
Cost:									
As of January 1, 2025	\$1,434,398	\$1,408,410	\$1,604,377	\$23,354	\$27,972	\$389,699	\$63,370	\$236,068	\$5,187,648
Additions	6,499	1,405	128,294	5,173	945	31,811	3,666	281,284	459,077
Disposals	-	-	(32,436)	(4,312)	(1,997)	(14,115)	(605)	-	(53,465)
Exchange differences	-	4,286	4,149	(44)	513	900	-	7,830	17,634
Reclassification	192,304	20,023	80,704	780	2,539	50,644	-	(197,365)	149,629
As of December 31, 2025	\$1,633,201	\$1,434,124	\$1,785,088	\$24,951	\$29,972	\$458,939	\$66,431	\$327,817	\$5,760,523

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Lease improvements	Construction in progress and equipment awaiting examination	Total
As of January 1, 2024	\$1,423,160	\$830,710	\$1,334,816	\$19,868	\$23,696	\$311,349	\$61,993	\$90,968	\$4,096,560
Additions	-	4,374	27,617	1,397	545	18,190	1,377	215,808	269,308
Acquisitions through business combinations	-	470,804	209,250	2,347	1,146	36,678	-	24,923	744,948
Disposals	-	-	(90,064)	(1,385)	(267)	(40,563)	-	(762)	(133,041)
Exchange differences	-	22,597	30,509	364	474	5,599	-	3,087	62,630
Reclassification	11,238	79,925	92,449	763	2,378	58,446	-	(97,956)	147,243
As of December 31, 2024	<u>\$1,434,398</u>	<u>\$1,408,410</u>	<u>\$1,604,377</u>	<u>\$23,354</u>	<u>\$27,972</u>	<u>\$389,699</u>	<u>\$63,370</u>	<u>\$236,068</u>	<u>\$5,187,648</u>
Depreciation and impairment:									
As of January 1, 2025	\$3,119	\$142,871	\$798,370	\$12,584	\$17,779	\$227,971	\$22,649	\$-	\$1,225,343
Depreciation	-	42,741	174,663	3,865	3,221	54,448	6,918	-	285,856
Disposals	-	-	(27,204)	(4,014)	(1,799)	(11,420)	(605)	-	(45,042)
Exchange differences	-	1,557	5,848	(21)	82	1,665	-	-	9,131
Reclassification	-	-	(286)	158	-	128	-	-	-
As of December 31, 2025	<u>\$3,119</u>	<u>\$187,169</u>	<u>\$951,391</u>	<u>\$12,572</u>	<u>\$19,283</u>	<u>\$272,792</u>	<u>\$28,962</u>	<u>\$-</u>	<u>\$1,475,288</u>
As of January 1, 2024	\$3,119	\$104,570	\$717,831	\$10,806	\$15,352	\$209,079	\$16,741	\$-	\$1,077,498
Depreciation	-	37,482	144,479	2,567	2,024	36,038	5,908	-	228,698
Disposals	-	-	(79,328)	(1,393)	(38)	(21,148)	-	-	(101,907)
Exchange differences	-	1,248	15,557	235	241	4,201	-	-	21,482
Reclassification	-	(429)	(169)	369	-	(199)	-	-	(428)
As of December 31, 2024	<u>\$3,119</u>	<u>\$142,871</u>	<u>\$798,370</u>	<u>\$12,584</u>	<u>\$17,779</u>	<u>\$227,971</u>	<u>\$22,649</u>	<u>\$-</u>	<u>\$1,225,343</u>
Net carrying amount as of:									
December 31, 2025	<u>\$1,630,082</u>	<u>\$1,246,955</u>	<u>\$833,697</u>	<u>\$12,379</u>	<u>\$10,689</u>	<u>\$186,147</u>	<u>\$37,469</u>	<u>\$327,817</u>	<u>\$4,285,235</u>
December 31, 2024	<u>\$1,431,279</u>	<u>\$1,265,539</u>	<u>\$806,007</u>	<u>\$10,770</u>	<u>\$10,193</u>	<u>\$161,728</u>	<u>\$40,721</u>	<u>\$236,068</u>	<u>\$3,962,305</u>

(b) Significant components of buildings primarily comprised the main buildings and the facilities, which are depreciated based on their respective useful economic life of 20 to 51 years and 3 to 20 years.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

- (c) Please refer to Note 8 for more details on property, plant and equipment under pledge.
- (d) The land owned by the Group located at Nos. 631 and 635, Xinzhou Section, Xinwu District, Taoyuan City, belongs to the general agricultural land that is not urban planning area. According to Article 33 of the Agricultural Development Regulation “Private legal persons shall not be subject to restrictions on agricultural land”, temporarily registered in the name of General Manager, Huang Ya-Hsing, and handled the setting with the Company as the right holder.

(11) Investment property

The Group’s investment properties include owned investment properties. The Group has entered into commercial property leases on its owned investment properties with terms of 15 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	Buildings	Land use rights	Total
Cost:			
As of 1 Jan. 2025	\$61,956	\$2,055	\$64,011
Exchange differences	283	9	292
As of 31 Dec. 2025	<u>\$62,239</u>	<u>\$2,064</u>	<u>\$64,303</u>
As of 1 Jan. 2024	\$59,839	\$1,985	\$61,824
Exchange differences	2,117	70	2,187
As of 31 Dec. 2024	<u>\$61,956</u>	<u>\$2,055</u>	<u>\$64,011</u>
Depreciation and impairment:			
As of 1 Jan. 2025	\$52,932	\$75	\$53,007
Amortization	518	73	591
Exchange differences	262	3	265
As of 31 Dec. 2025	<u>\$53,712</u>	<u>\$151</u>	<u>\$53,863</u>
As of 1 Jan. 2024	\$50,551	\$-	\$50,551
Amortization	590	75	665
Exchange differences	1,791	-	1,791
As of 31 Dec. 2024	<u>\$52,932</u>	<u>\$75</u>	<u>\$53,007</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

	<u>Buildings</u>	<u>Land use rights</u>	<u>Total</u>
Net carrying amount as of:			
31 Dec. 2025	\$8,527	\$1,913	\$10,440
31 Dec. 2024	\$9,024	\$1,980	\$11,004

	<u>For the year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Rental income from investment property	\$7,854	\$7,265
Less:		
Direct operating expenses from investment property generating rental income	(591)	(665)
Total	\$7,263	\$6,600

(a) No investment property was pledged.

(b) Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3.

(c) The fair value of investment properties were NT\$79,686 thousand and NT\$78,226 thousand for the years ended December 31, 2025 and 2024, respectively. The fair value has been determined based on valuations performed by an independent valuer. The valuation method used is the cost method.

(12) Intangible assets

	<u>Computer Software</u>	<u>Specialized Technology</u>	<u>Other</u>	<u>Googwill</u>	<u>Total</u>
Cost:					
As of Jan. 1, 2025	\$69,629	\$46,905	\$8,494	\$141,663	\$266,691
Additions-acquired separately	8,734	-	-	-	8,734
Deduction	(6,532)	-	-	-	(6,532)
Other change	13,095	-	-	-	13,095
Exchange differences	(136)	53	-	(37)	(120)
As of Dec. 31, 2025	\$84,790	\$46,958	\$8,494	\$141,626	\$281,868

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

	Computer Software	Specialized Technology	Other	Googwill	Total
As of Jan. 1, 2024	\$50,138	\$-	\$-	\$-	\$50,138
Additions-acquired separately	6,480	-	-	-	6,480
Acquisitions through business combinations	9,451	46,934	8,494	141,626	206,505
Deduction	(1,964)	-	-	-	(1,964)
Other change	5,493	-	-	-	5,493
Exchange differences	31	(29)	-	37	39
As of Dec. 31, 2024	\$69,629	\$46,905	\$8,494	\$141,663	\$266,691
Depreciation and impairment:					
As of Jan. 1, 2025	\$43,930	\$3,461	\$8,494	\$95,852	\$151,737
Amortization	10,493	5,137	-	-	15,630
Deduction	(6,532)	-	-	-	(6,532)
Exchange differences	(116)	66	-	(37)	(87)
As of Dec. 31, 2025	\$47,775	\$8,664	\$8,494	\$95,815	\$160,748
As of Jan. 1, 2024	\$39,265	\$-	\$-	\$-	\$39,265
Amortization	6,588	3,455	8,494	-	18,537
Impairment losses	-	-	-	95,929	95,929
Deduction	(1,964)	-	-	-	(1,964)
Exchange differences	41	6	-	(77)	(30)
As of Dec. 31, 2024	\$43,930	\$3,461	\$8,494	\$95,852	\$151,737
Net carrying amount as of:					
December 31, 2025	\$37,015	\$38,294	\$-	\$45,811	\$121,120
December 31, 2024	\$25,699	\$43,444	\$-	\$45,811	\$114,954

- (a) The other intangible assets refer to the expenditures incurred during the development phase by the Group's subsidiaries, where discoveries or knowledge from research are applied to a project or design before the mass production or use of the product. These expenditures are recognized as intangible assets because the technological feasibility of the intangible asset has been achieved, and other criteria for recognizing an intangible asset have also been met.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(b) The Group conducted the impairment testing of goodwill on December 31, 2024. As a result of the recoverable amount, the Group recognized an impairment loss amounting to NT\$95,929 thousand. The impairment loss has been recorded in the Group's statements of comprehensive incomes.

(c) Amortization of intangible assets is as follows:

Item	For the year ended December 31,	
	2025	2024
Operating costs	\$1,673	\$9,864
Sales and marketing	2,874	936
General and administrative	10,705	7,454
Research and development	378	283
Total	<u>\$15,630</u>	<u>\$18,537</u>

(13) Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to one cash-generating units, for impairment testing as follows:

	As of December 31,	
	2025	2024
Global Tek (Suzhou) Precision Industry Co., Ltd.	\$-	\$-
AvioCast Inc.	<u>45,811</u>	<u>45,811</u>
Total	<u>\$45,811</u>	<u>\$45,811</u>

(a) The recoverable amount of Global Tek (Suzhou) Precision Industry Co., Ltd. cash-generating unit has been measured at usage values. The projected cash flows have been updated to reflect the change in demand for product. Due to adverse market conditions, although there have been continuous improvements in operation condition, the overall operations are still at a loss. As a result of this analysis, management has recognized an impairment loss of NT\$95,815 thousand in the current period against goodwill previously carried amount.

Explanation for significant difference between the actual operation conditions of the acquired company after the business combination and the expected benefits at the time of acquisition:

Upon acquisition of Global Tek (Suzhou) Precision Industry Co., Ltd., the stock value analysis information, which the Group used to decide the acquisition price, is based on Global Tek (Suzhou) Precision Industry Co., Ltd.'s financial forecast. Due to adverse market conditions, although there have been continuous improvements in operation condition, the overall operations are still at a loss. The level of actual operation revenue was less than expected.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for cash-generating unit is most sensitive to the following assumptions:

- (a) Gross margin
- (b) Discount rates
- (c) Growth rate used to extrapolate revenue beyond the budget period

Gross margins – Gross margins are estimated based on the value achieved in the prior year and referencing the future market trends.

Discount rates – Discount rates reflect the current market assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Group, taking into account the particular situations of the Group and its operating segments. The WACC includes both the cost of liabilities and cost of equities. The cost of equities is derived from the expected returns of the Group's investors on capital, where the cost of liabilities is measured by the interest-bearing loans that the Group has obligation to settle.

Growth rate estimates of revenue – Rates is estimated based on past experience, the long-term average growth rate has been adjusted based on the economic environment.

- (b) The recoverable amount of the cash-generating unit of AvioCast Inc. was NT\$1,490,556 thousand as of December 31, 2025. This recoverable amount was determined based on value in use, with projected cash flows updated to reflect changes in demand for the related products. The pre-tax discount rate used in the cash flow projections was 12.70% as of December 31, 2025, and cash flows beyond the five-year period were extrapolated at growth rates between 4.70% and 16.00% as of December 31, 2025. Based on this analysis, the Company concluded that the carrying amount of goodwill in the amount of NT\$45,811 thousand was not impaired.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for cash-generating unit is most sensitive to the following assumptions:

- (a) Gross margin
- (b) Discount rates
- (c) Growth rate used to extrapolate revenue beyond the budget period

Gross margins – Gross margins are estimated based on the value achieved in the prior year and referencing the future market trends.

Discount rates – Discount rates reflect the current market assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Group, taking into account the particular situations of the Group and its operating segments. The WACC includes both the cost of liabilities and cost of equities. The cost of equities is derived from the expected returns of the Group's investors on capital, where the cost of liabilities is measured by the interest-bearing loans that the Group has obligation to settle.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Growth rate estimates of revenue – Rates is estimated based on past experience, the long-term average growth rate has been adjusted based on the economic environment.

Sensitivity to Assumption Changes

Regarding the value-in-use assessment of the cash-generating unit, the Company believes that the aforementioned key assumptions are unlikely to change in a manner that would cause the carrying amount of the unit to materially exceed its recoverable amount.

(14) Other non-current assets

	As of December 31,	
	2025	2024
Refundable deposits	\$17,540	\$17,951
Net defined benefit assets	3,930	2,880
Total	\$21,470	\$20,831

(15) Short-term loans

	As of December 31,	
	2025	2024
Secured financial structure loans	\$189,581	\$201,797
Unsecured financial structure loans	818,407	315,465
Total	\$1,007,988	\$517,262
Interest Rates (%)	1.70%~3.4%	1.80%~4.95%

The Group's unused short-term lines of credits amounted to NT\$2,278,046 thousand and NT\$2,452,351 thousand as of December 31, 2025 and 2024, respectively.

Please refer to Note 8 for more details of assets pledged as collaterals.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(16) Other payables

	As of December 31,	
	2025	2024
Payable of salary and bonuses	\$148,655	\$147,972
Accrued interest	1,003	868
Accrued compensation to employees and directors	5,246	11,444
Prepayment for equipment	17,559	26,925
Payable of processing fees	259,746	206,366
Other	226,086	236,572
Total	<u>\$658,295</u>	<u>\$630,147</u>

(17) Bonds payable

A. The details of the bonds payable as of December 31, 2025 and 2024 is as follows:

	As of December 31,	
	2025	2024
Liability component:		
Unsecured domestic convertible bonds	\$41,600	\$46,300
Less: discounts on bonds payable	(701)	(1,613)
Subtotal	40,899	44,687
Less: current portion	(40,899)	(100)
Net	<u>\$-</u>	<u>\$44,587</u>
Embedded derivative - redemption, put options	<u>\$25</u>	<u>\$203</u>
Equity component - conversion right	<u>\$4,383</u>	<u>\$4,910</u>

For the details of the gain and loss from valuation through profit and loss on embedded derivative, redemption, put options, and the interest expense on the convertible bonds payable, please refer to Notes 6(27)(c),(d).

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

B. On August 27, 2019, the Group issued the 1st unsecured domestic convertible bonds. The terms of the bonds are as follows:

(A) Issue amount: NT\$600,000 thousand

(B) Issue date: August 27, 2019

(C) Issue price: Issued at 101% of the par value

(D) Coupon rate: 0%

(E) Period: August 27, 2019 to August 27, 2024

(F) Settlement or Conversion period: (a) From the day following the issuance of corporate bonds for three months (November 28, 2019) to 40 days before the expiration of the issuance period (July 18, 2024), when the agreed conditions are met, Request the redemption of corporate bonds from corporate bond holders according to the par value of the bonds.

(b) For the holders of corporate bonds, from the day following the 3 months after the issuance date of the corporate bonds (November 28, 2019) to the maturity date (August 27, 2024), except for the period stipulated in the conversion method. In addition, the company may at any time request to be converted into the company's common stock at the conversion price at that time. If it is not converted at that time, it will be redeemed at the par amount plus interest compensation when it expires.

(c) Corporate bond holders may request the company to redeem the principal in cash at an interest rate of 101.5075% of the par value of the bond (0.5% annual return yield) within 40 days before the issuance of the corporate bond meets the agreed conditions.

(d) Holders of corporate bonds may request the company to redeem the principal in cash at 102.015% of the par value of the bonds (0.5% annual return rate) within 40 days before the issuance of the corporate bonds meets the agreed conditions.

(e) The price of the conversion corporate bonds is determined based on August 19, 2019 as the conversion price determination base date, and the simple arithmetic average of the company's common stock closing prices on the five business days prior to the base date (excluding). The base price is NT\$46.55, and then the base price is multiplied by the conversion premium rate of 107.42%, which is the conversion price of the converted corporate bonds (calculated to NT dollars, rounded up to the following points). According to the above method, the conversion price is NT\$50 per share.

The conversion price of the Group's first domestic unsecured conversion corporate bonds is adjusted according to the relevant anti-dilution provisions of the conversion method. The company has adjusted the conversion price from NT\$47.90 to NT\$46.80 since August 5, 2021 (the ex-dividend base date). Since August 5, 2022 (the ex-dividend base date), the conversion price has been adjusted from NT\$46.80 to NT\$45.60. Since May 6, 2023 (the ex-dividend base date), the conversion price has been adjusted from NT\$45.60 to NT\$43.90. Since May 3, 2024 (the ex-dividend base date), the conversion price has been adjusted from NT\$43.90 to NT\$42.70.

C. On January 3, 2022, the Group issued the 2nd unsecured domestic convertible bonds. The terms of the bonds are as follows:

(A) Issue amount: NT\$630,000 thousand

(B) Issue date: January 3, 2022

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

- (C) Issue price: Issued at 111.8% of the par value
- (D) Coupon rate: 0%
- (E) Period: January 3, 2022 to January 3, 2025
- (F) Settlement or Conversion period:
- (a) The company may, from the day following the issuance of corporate bonds for three months (April 4, 2022) to 40 days before the expiration of the issuance period (November 24, 2024), when the agreed conditions are met, request the redemption of corporate bonds from corporate bond holders according to the par value of the bonds.
 - (b) For corporate bond holders, from the day following the first three months of the corporate bond issuance date (April 4, 2022) to the maturity date (January 3, 2025), except for the period stipulated in the conversion method. In addition, the company may request to be converted into the company's ordinary shares at any time at the conversion price at that time. If it is not converted at that time, it shall be repaid in cash according to the par value of the bond within five business days after the maturity date.
 - (c) The price of the conversion corporate bond is determined based on December 13, 2021 as the base date for the determination of the conversion price, which is calculated on the basis of one, three, or five business days before the base date (excluding). The simple arithmetic average of the closing prices of the company's common shares is used as the benchmark price, and then the benchmark price is multiplied by the conversion premium rate of 104.31%, which is the conversion price of the converted corporate bonds (calculated to NT\$, rounded up below). According to the above method, the conversion price is set at NT\$47 per share.

The conversion price of the second domestic unsecured conversion corporate bond of the group is adjusted according to the relevant anti-dilution provisions of the conversion method. The company adjusted the conversion price from NT\$47.00 to NT\$45.80 starting from August 5, 2022 (the ex-dividend base date). The company adjusted the conversion price from NT\$45.80 to NT\$44.10 starting from May 6, 2023 (the ex-dividend base date). The company adjusted the conversion price from NT\$44.10 to NT\$42.90 starting from May 3, 2024 (the ex-dividend base date).

D. On November 27, 2023, the Group issued the 3rd unsecured domestic convertible bonds. The terms of the bonds are as follows:

(A) Issue amount: NT\$800,000 thousand

(B) Issue date: November 27, 2023

(C) Issue price: Issued at 106.15% of the par value

(D) Coupon rate: 0%

(E) Period: November 27, 2023 to November 27, 2026

(F) Settlement or Conversion period: (a) From the day following the issuance of corporate bonds for three months (February 28, 2024) to 40 days before the expiration of the issuance period (October 18, 2026), when the agreed conditions are met, Request the redemption of corporate bonds from corporate bond holders according to the par value of the bonds.

(b) For corporate bond holders, from the day following the first three months of the corporate bond issuance date (February 28, 2024) to the maturity date (November 27, 2026), except for the period stipulated in the conversion method. In addition, the company may request to be converted into the company's ordinary shares at any time at the conversion price at that time. If it is not converted at that time, it shall be repaid in cash according to the par value of the bond within five business days after the maturity date.

(c) The price of the conversion corporate bonds is determined based on November 7, 2023 as the conversion price determination base date, and the simple arithmetic average of the company's common stock closing prices on the three business days prior to the base date (excluding). The base price is NT\$50,032, and then the base price is multiplied by the conversion premium rate of 102.71%, which is the conversion price of the converted corporate bonds (calculated to NT dollars, rounded up to the following points). According to the above method, the conversion price is NT\$52 per share. The conversion price of the third domestic unsecured conversion corporate bond of the company is adjusted according to the relevant anti-dilution provisions of the conversion method. The company adjusted the conversion price from NT\$52.00 to NT\$50.60 starting from May 3, 2024 (the ex-dividend base date). The company adjusted the conversion price from NT\$50.60 to NT\$49.60 starting from April 25, 2025 (the ex-dividend base date).

- E. The 1st unsecured convertible bonds in the amount of NT\$81,600 thousand have been converted to 1,904 thousand common shares for the year ended December 31, 2024. The conversion net amount exceeds the par value of converted ordinary shares and is transferred to capital reserve - convertible corporate bonds, with a conversion premium of NT\$62,429 thousand.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The 2nd unsecured convertible bonds in the amount of NT\$80,600 thousand have been converted to 1,878 thousand common shares for the year ended December 31, 2024. The conversion net amount exceeds the par value of converted ordinary shares and is transferred to capital reserve - convertible corporate bonds, with a conversion premium of NT\$61,351 thousand.

The 3rd unsecured convertible bonds in the amount of NT\$4,600 thousand have been converted to 91 thousand common shares for the year ended December 31, 2025. The conversion net amount exceeds the par value of converted ordinary shares and is transferred to capital reserve - convertible corporate bonds, with a conversion premium of NT\$3,646 thousand; The 3rd unsecured convertible bonds in the amount of NT\$753,800 thousand have been converted to 14,897 thousand common shares for the year ended December 31, 2024. The conversion net amount exceeds the par value of converted ordinary shares and is transferred to capital reserve - convertible corporate bonds, with a conversion premium of NT\$572,474 thousand.

(18) Long-term loans

Details of long-term loan as of December 31, 2025 and 2024 are as follows:

Debtor	Type of Loan	Maturity	As of Dec. 31, 2025	Repayment
Bank of Taiwan	Secured loan	2025.01.15- 2030.01.15	\$330,000	The principal and interest will be amortized monthly.
Land Bank of Taiwan	Secured loan	2022.03.28- 2027.03.28	850,000	Interest is paid monthly, and the principal is paid at maturity.
Bank of Taiwan	Secured loan	2023.02.15- 2028.02.15	138,667	The principal and interest will be amortized monthly.
Bank of Taiwan	Secured loan	2024.02.15- 2028.02.15	54,166	The principal and interest will be amortized monthly.
The Shanghai Commercial & Savings Bank, Ltd.	Credit loan	2025.06.23- 2032.05.30	30,000	The principal and interest will be amortized monthly.
Bank SinoPac	Secured loan (Note 1)	2024.11.01- 2027.10.31	437,500	The principal and interest will be amortized monthly.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Debtor	Type of Loan	Maturity	As of Dec.	Repayment
			31, 2025	
Bank of Ningbo	Credit loan	2025.07.23- 2026.08.21	44,545	Interest is paid quarterly, and the principal is repaid at maturity.
China CITIC Bank	Credit loan	2025.08.29- 2027.08.28	157,483	Interest is paid monthly, and the principal is repaid every six months.
China CITIC Bank	Credit loan	2025.09.08- 2027.09.07	22,497	Interest is paid monthly, and the principal is repaid every six months.
Total			2,064,858	
Less: current portion			(189,544)	
Non-current portion			<u>\$1,875,314</u>	

Debtor	Type of Loan	Maturity	As of Dec.	Repayment
			31, 2024	
Bank of Taiwan	Secured loan	2021.10.20- 2026.10.20	\$248,000	The principal and interest will be amortized monthly.
Land Bank of Taiwan	Secured loan	2022.03.28- 2027.03.28	870,000	Interest is paid monthly, and the principal is paid at maturity.
Bank of Taiwan	Secured loan	2023.02.15- 2028.02.15	202,667	The principal and interest will be amortized monthly.
Bank of Taiwan	Secured loan	2024.02.15- 2028.02.15	79,167	The principal and interest will be amortized monthly.
Bank SinoPac	Secured loan (Note 1)	2024.11.01- 2027.10.31	505,500	The principal and interest will be amortized monthly.
Business Bank of Taiwan	Secured loan (Note 2)	2023.03.20- 2028.03.20	9,750	The principal and interest will be amortized monthly.
Business Bank of Taiwan	Secured loan (Note 2)	2021.04.07- 2026.04.07	5,581	The principal and interest will be amortized monthly.
Hua Nan Bank	Credit loan	2020.07.08- 2025.06.15	20,245	Interest is paid monthly, and the principal is paid at maturity.
China Zheshang Bank Co., Ltd	Secured loan	2022.08.24- 2025.08.23	118,246	Interest is paid monthly, and the principal is repaid every six months.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Debtor	Type of Loan	Maturity	As of Dec. 31, 2024	Repayment
China Zheshang Bank Co., Ltd	Secured loan	2022.08.26- 2025.08.26	68,081	Interest is paid monthly, and the principal is repaid every six months.
Total			2,127,237	
Less: current portion			(452,758)	
Non-current portion			<u>\$1,674,479</u>	

Note 1: The collateral for the aforementioned syndicated loan includes real estate, plant, and equipment, and it is jointly guaranteed by the Small and Medium Enterprise Credit Guarantee Fund and the responsible person of AvioCast Inc.

Note 2 : The aforementioned secured loan is guaranteed by a reserve account and the Small and Medium Enterprise Credit Guarantee Fund, with a joint guarantee provided by the responsible person of AvioCast Inc.

(a) Please refer to Note 8 for more detail of assets pledged as collaterals.

(b) As of December 31, 2025 and 2024, the interest rate intervals for long-term loans were 1.475%~4.90 and 1.48%~4.90%, respectively.

(19) Other non-current liabilities

(a) Details of other non-current liabilities were as follows:

	As of December 31,	
	2025	2024
Net defined benefit liability	\$395	\$197
Guarantee deposits	7,142	7,543
Deferred revenue	24,913	4,756
Total	<u>\$32,450</u>	<u>\$12,496</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(b) The details of the deferred government grants income for the years ended December 31, 2025 and 2024 are as follows:

	For the year ended December 31,	
	2025	2024
Beginning balance	\$4,756	\$5,776
government grants income for the year	1,818	-
Reclassification(Note)	19,533	-
Released to the statement of comprehensive income	(1,323)	(1,219)
Exchange differences	129	199
Ending balance	<u>\$24,913</u>	<u>\$4,756</u>

The Group received government grants for the purchase of property, plant and equipment for specific projects. The recognized government grants have no unfulfilled conditions and other contingencies.

Note: The Group's Wuxi Shishuo Metal Company (which has been merged by Global Tek (Wuxi) Co., Ltd.) signed an investment agreement with the People's Government of Xishan District, Wuxi City on January 17, 2018. The government will provide land for the necessary infrastructure construction and there is a commitment item of "increasing the registered capital to US\$20 million", for which the capital increase will reach US\$8 million before the listing of the land, and the rest of the funding will gradually be in place after the listing. Therefore, on March 16, 2018, when the Group obtained the land use right of Anzhen Street in Wuxi City, it was temporarily exempted from the payment of RMB 100,000 per mu for infrastructure supporting construction costs totaling NT\$ 20,279 thousand (RMB 4,361 thousand). It is estimated that the government subsidy will be recognized after the output reaches the standard in the fifth year, and it will be amortized according to the remaining useful life of the new land use right. However, if the Group fails to meet the output standard in the fifth year after obtaining the new land use right, it will have to pay a total of NT\$20,279 thousand (RMB 4,361 thousand) for supporting infrastructure construction.

The Group applied for the planning permission after obtaining the land use rights in March 2018. The local government required that the project undergo an environmental impact assessment by a qualifying body. After the Group complied with this requirement, it was not able to continue with the subsequent construction project approval process until it received approval from the Department of Safety and Environmental Protection of Xishan District in May 2019, resulting in a delay in project progress. During the process of obtaining construction planning permission, the Group was required to adhere to hygienic buffer zone standards, which necessitated a redesign of the project plans. Subsequently, the COVID-19 pandemic further delayed the commencement of the construction, with the Group receiving the construction planning permission in June 2020. Due to the impact of the pandemic, the construction was not completed and accepted until the end of May 2022. Later, the construction and installation of production facilities inside the factory were carried out. In late October of the same year, the Xinwu District government approved the change of the business license and tax registration to Xishan District. On December 3 of the same year, the Group submitted an explanation of the delayed production to the People's Government of Xishan District, Wuxi City. As of December 31, 2024, the Group has estimated a total of NT\$ 20,279 thousand (RMB 4,361 thousand) for infrastructure and supporting construction costs over a period of five years, which was booked as other payables, if production standards are not met.

In October 2025, the Group submitted the relevant tax certificates to the government authorities and reclassified the amounts as deferred government grant income. The income is recognized based on the remaining useful life of the land.

(20) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of overseas subsidiaries are provided in accordance with the local regulations.

Expenses under the defined contribution plan for the years ended December 31, 2025 and 2024 were NT\$43,114 thousand and NT\$38,646 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee.

Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company and its domestic subsidiaries do not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT\$570 thousand to its defined benefit plan during the 12 months beginning after December 31, 2025.

As of December 31, 2025 and 2024, the maturities of the Company's and its domestic subsidiaries' defined benefit plan were expected both in 2033.

Pension costs recognized in profit or loss for the years ended December 31, 2025 and 2024:

	For the years ended December 31	
	2025	2024
Current service cost	\$123	\$-
Net interest of defined benefit	(44)	5
Total	<u>\$79</u>	<u>\$5</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	As of		
	Dec. 31, 2025	Dec. 31, 2024	Jan. 1, 2024
Defined benefit obligation	\$15,426	\$16,830	\$18,679
Plan assets at fair value	(18,961)	(19,513)	(17,905)
Other non-current liabilities – net defined benefit liability(assets) on the consolidated balance sheets	\$(3,535)	\$(2,683)	\$774

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
As of January 1, 2024	\$18,679	\$(17,905)	\$774
Net interest expense(revenue)	213	(208)	5
Subtotal	213	(208)	5
Remeasurement of net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	(331)	-	(331)
Experience adjustments	(977)	-	(977)
Return on project assets (except the amount included in net interest)	-	(1,584)	(1,584)
Subtotal	(1,308)	(1,584)	(2,892)
Payments from the plan	(754)	754	-
Employer contribution	-	(570)	(570)
As of December 31, 2024	16,830	(19,513)	(2,683)
Current service cost	123	-	123
Net interest expense(revenue)	254	(298)	(44)
Subtotal	377	(298)	79

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

	Present value		
	of defined		Net defined
	benefit	Fair value of	benefit liability
	obligation	plan assets	(asset)
Remeasurement of net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	179	-	179
Experience adjustments	834	-	834
Return on project assets (except the amount included in net interest)	-	(1,353)	(1,353)
Subtotal	1,013	(1,353)	(340)
Payments from the plan	(2,794)	2,794	-
Contributions by employer	-	(591)	(591)
As of December 31, 2025	<u>\$15,426</u>	<u>\$(18,961)</u>	<u>\$(3,535)</u>

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2025	2024
Discount rate	1.25%~1.50%	1.50%~1.625%
Expected rate of salary increases	2.25%~2.50%	2.25%~2.50%

A sensitivity analysis for significant assumption as shown below:

	Effect on the defined benefit obligation			
	2025		2024	
	Increase	Decrease	Increase	Decrease
	defined	defined	defined	defined
	benefit	benefit	benefit	benefit
	obligation	obligation	obligation	obligation
Discount rate increase by 0.25%	\$-	\$(252)	\$-	\$(287)
Discount rate decrease by 0.25%	261	-	296	-
Future salary increase by 0.25%	255	-	289	-
Future salary decrease by 0.25%	-	(247)	-	(282)

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(21) Equity

(a) Common stock

As of December 31, 2025 and 2024, the Company's authorized capital were both NT\$1,500,000 thousand, each share at par value of NT\$10. The Company's paid-in capital were NT\$1,098,118 thousand and NT\$1,097,208 thousand, respectively, divided into 109,812 thousand shares and 109,721 thousand shares, respectively. Each share has one voting right and a right to receive dividends.

For the year ended December 31, 2024, the 1st unsecured convertible bonds in amount of NT\$81,600 thousand were converted into 1,904 thousand shares.

For the year ended December 31, 2024, the 2nd unsecured convertible bonds in amount of NT\$80,600 thousand were converted into 1,878 thousand shares.

For the years ended December 31, 2025 and 2024, the 3rd unsecured convertible bonds in amount of NT\$4,600 thousand and NT\$753,800 thousand, respectively, were converted into 91 thousand and 14,897 thousand shares, respectively.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(b) Capital Surplus

	As of December 31,	
	2025	2024
Additional paid-in capital	\$2,803,420	\$2,799,247
Employee stock option	1,322	1,322
Components of convertible corporate bonds	4,383	4,910
Restricted stock units	3,625	-
Total	<u>\$2,812,750</u>	<u>\$2,805,479</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made either in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them. Capital surplus related to long-term equity investments cannot be used for any purpose.

(c) Retained earnings and dividend policies

(1) Retained earnings

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- i. Payment of all taxes and dues;
- ii. Offset prior years' operation losses;
- iii. Set aside 10% of the remaining amount as legal reserve. There is no requirement to further make such reserve when legal reserve reaches the capital amount.
- iv. Set aside or reverse special reserve in accordance with law and regulations; and
- v. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

If the Company's dividends are distributed to shareholders, surplus reserve and capital reserve paid in cash, the Board of Directors have been authorized to approve by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and report to the shareholders' meeting.

(2) Dividend policies

The Company's life cycle is currently at the growing stage. The Company's dividend policy shall be determined pursuant to the factors, such as financial structure, operating conditions, and capital budgets. The distribution of shareholders' dividend shall be not lower than 10% of the distributable current-year earnings. However, the shareholders may resolve not to distribute dividends if the accumulated earnings were lower than 1% of the paid-in capital. The dividend can be distributed by cash not be less than 10% of total dividends and be adjusted by the actual situation of the company.

(3) Legal Reserve

According to Taiwan's Company Act, the Company needs to set aside an amount as legal reserve unless where such legal reserve amounts to the amount of total paid-in capital. The legal reserve can be used to make good the deficit. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash held by each of the shareholders.

(4) Special Reserve

The FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022 on March 31, 2021, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the company can reverse the special reserve by proportion of the special reserve first appropriated and distribute it.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The Company did not incur any special reserve upon the first-time adoption of T-IFRS.

- (5) The appropriations of earnings for 2025 and 2024 were approved through the board meetings and shareholders' meetings held on March 12, 2026 and June 19, 2025, respectively. The details of the distributions are as follows:

	Appropriation of earnings		Dividend per share (in NT\$)	
	2025	2024	2025	2024
Legal Reserve	\$11,532	\$20,689		
Appropriation (reversal) of special reserve	(26,425)	(70,252)		
Common Stock-Cash dividend (Note1)	75,000	165,000	\$0.68	\$1.50
Total	<u>\$60,107</u>	<u>\$115,437</u>		

Note1: The number of shares calculated for shareholder dividends amounted to 109,850 thousand shares and 109,754 thousand shares as of February 28, 2026 and February 28, 2025, respectively (after deducting treasury shares and restricted stock units).

Please refer to Note 6(26) for details on employees' compensation and remuneration to directors and supervisors.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(d) Non-controlling interests

	For the year ended Dec 31,	
	2025	2024
Beginning balance	\$98,255	\$-
Profit (loss) attributable to non-controlling interests	(11,756)	(51,179)
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences arising on translating of a foreign operation	236	(294)
Cash capital increase	-	605
Acquisition of additional interest in a subsidiary	2,448	(13,232)
Others — changes in consolidated entities	-	162,355
Total	<u>\$89,183</u>	<u>\$98,255</u>

(22) Share-based Payment Plans

Compensatory Restricted Stock Unit Plan

(a) The issuance of 500 thousand restricted stock units to employees was approved at the shareholders' meeting held on June 19, 2025. The grant is limited to employees of the Company who meet specific criteria and has been filed with and approved by the Securities and Futures Bureau of the Financial Supervisory Commission. On November 13, 2025, the board of directors resolved to issue 500 thousand shares, with the capital increase record date set as January 15, 2026. The actual number of new shares issued was 143 thousand, valued at NT\$51.8 per share on the grant date.

The fair value information of the Company's restricted stock units is as follows:

Type of Agreement:	Grant Date	Share Price	Exercise Price	Fair Value per Share
Restricted Stock Unit Plan	Nov. 13, 2025	\$51.80	\$26.45	\$25.35

Employees granted the above restricted stock units may subscribe to the allocated shares at the exercise price of NT\$26.45 per share. The vesting conditions from the subscription date are as follows:

Vesting Conditions	Percentage of Vested Shares Issued
Upon completion of 1 year from the grant date	40%
Upon completion of 2 years from the grant date	30%
Upon completion of 3 years from the grant date	30%

The rights restricted for employees before meeting the vesting conditions after being granted restricted stock units are as follows:

- (1) After being granted the restricted stock units, employees shall not sell, transfer, gift, pledge, request the Company to repurchase, or dispose of the restricted stock units in any other manner before meeting the vesting conditions, except for inheritance.
- (2) Before meeting the vesting conditions of the restricted stock units, the attendance, proposal submission, speech, and voting rights at shareholders' meetings related to the restricted stock units shall be exercised in accordance with the trust custody agreement.
- (3) The restricted stock units granted do not entitle employees to dividends, bonuses, or capital surplus distribution rights before meeting the vesting conditions. Other shareholder rights are the same as those of the Company's issued common shares.
- (4) From fifteen business days before the record date for the Company's stock dividend suspension and cash dividend suspension until the rights distribution record date, employees who meet the vesting conditions during this period shall not enjoy profit distribution rights for the released restricted stocks.
- (5) If employees violate labor contracts, work rules, or terminate the Company's agency authorization after being granted restricted stock units but before meeting the vesting conditions, the Company shall repurchase and cancel the unvested restricted stock units at the issue price.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(6) If employees voluntarily resign, are dismissed, laid off, or retire before meeting the vesting conditions, they shall lose the qualification of having met the vesting conditions from the effective date of such events. The Company shall repurchase and cancel the unvested restricted stock units at the issue price.

(b) On November 13, 2025, the Company increased capital by issuing 143 thousand shares to employees, resulting in capital reserve – restricted stock units in the amount of NT\$3,625 thousand. As of December 31, 2025, the unearned employee compensation balance amounted to NT\$3,346 thousand.

(c) The Group recognized expenses for the employee share-based payment plans as follows:

	For the year ended December 31, 2025
Expenses recognized from share-based payment transactions	<u>\$279</u>
(All are equity-settled share-based payments)	

(d) The Company did not cancel or modify any share-based payment plans for the year ended December 31, 2025.

(23) Operating revenues

	For the year ended December 31,	
	2025	2024
Revenue from contracts with customer		
Sales of goods	\$4,898,771	\$4,753,199
Other operating revenue	77,548	44,171
Total	<u>\$4,976,319</u>	<u>\$4,797,370</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Analysis of revenue from contracts with customers for the years ended December 31, 2025 and 2024 are as follows:

(a) Disaggregation of revenue

	For the year ended December 31,	
	2025	2024
Sale of goods	\$4,898,771	\$4,753,199
Other	77,548	44,171
Total	<u>\$4,976,319</u>	<u>\$4,797,370</u>
The timing for revenue recognition:		
At a point in time	<u>\$4,976,319</u>	<u>\$4,797,370</u>

For the analysis of each major product, please refer to Note 14 "Segment Information".

(b) Contract balances

A. Contract liabilities

	As of		
	Dec. 31, 2025	Dec. 31, 2024	Jan. 1, 2024
Sale of goods	<u>\$16,260</u>	<u>\$46,010</u>	<u>\$14,022</u>

Analysis of contract liabilities for the year ended December 31, 2025 are as follows:

	Sale of goods
The opening balance transferred to revenue	\$(44,709)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	14,959

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Analysis of contract liabilities for the year ended December 31, 2024 are as follows:

	<u>Sale of goods</u>
The opening balance transferred to revenue	\$(13,719)
Business combinations	14,944
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	30,763

(24) Expected credit (losses) gains

	<u>For the year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Operating expenses – Expected credit (losses) gains		
Accounts receivables	<u>\$11,719</u>	<u>\$(21,443)</u>

Please refer to Note 12 for more details on credit risk.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The Group measures the loss allowance of its accounts receivables (including notes receivables and accounts receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of December 31, 2025 and 2024, respectively are as follows:

A. The Group considers the grouping of accounts receivables by counter-parties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix. The details are as follows:

2025.12.31

	Not due (Note)	Overdue			Total	
		Less than 60 days	61-120 days	121-180 days		More than 181 days
Gross carrying amount	\$1,595,964	\$97,800	\$6,175	\$2,331	\$128,103	\$1,830,373
Loss ratio	0.00%~0.61%	0.00%~9.70%	0.00%~7.19%	0.00%~62.04%	30.23%~100%	
Lifetime expected credit losses	(7,216)	(2,641)	(319)	(1,444)	(126,860)	(138,480)
Carrying amount of accounts receivables	\$1,588,748	\$95,159	\$5,856	\$887	\$1,243	\$1,691,893

2024.12.31

	Not due (Note)	Overdue			Total	
		Less than 60 days	61-120 days	121-180 days		More than 181 days
Gross carrying amount	\$1,556,009	\$121,641	\$13,091	\$4,801	\$138,755	\$1,834,297
Loss ratio	0.011%~1.00%	0.147%~5.27%	0.906%~14.86%	4.066%~40.79%	39.55%~100%	
Lifetime expected credit losses	(3,302)	(3,565)	(3,353)	(2,123)	(137,597)	(149,940)
Carrying amount of accounts receivables	\$1,552,707	\$118,076	\$9,738	\$2,678	\$1,158	\$1,684,357

Note: The Group's note receivables were not overdue.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

B. The movement in the provision for impairment of notes receivables and accounts receivables for the years ended December 31, 2025 and 2024 are as follows:

	Notes receivables	Accounts receivables	Other receivables
As of January 1, 2025	\$-	\$149,940	\$3,757
Addition (reversal) for the current period	-	(11,719)	-
Exchange differences	-	259	300
As of December 31, 2025	<u>\$-</u>	<u>\$138,480</u>	<u>\$4,057</u>
As of January 1, 2024	\$-	\$7,831	\$-
Addition (reversal) for the current period	-	17,621	3,822
Acquisitions through business combinations	-	125,090	-
Write off	-	(574)	-
Exchange differences	-	(28)	(65)
As of December 31, 2024	<u>\$-</u>	<u>\$149,940</u>	<u>\$3,757</u>

(25) Leases

(a) Group as a lessee

The Group leases various properties, including real estate such as land and buildings, transportation equipment, office equipment and other equipment. The lease terms range from 1 to 39 years. The Group is not allowed to loan, sublease or sell without obtaining the consent from the lessors.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

A. Amounts recognized in the balance sheet

(i) Right-of-use asset

The carrying amount of right-of-use assets

	As of December 31,	
	2025	2024
Land	\$553,472	\$585,182
Buildings	78,599	89,733
Machinery and equipment	1,069	1,368
Transportation equipment	6,707	10,217
Office equipment	51	117
Total	<u>\$639,898</u>	<u>\$686,617</u>

The Group's right-of-use assets increased by NT\$2,946 thousand and NT\$451,508 thousand for the years ended December 31, 2025 and 2024, respectively.

(ii) Lease liabilities

	As of December 31,	
	2025	2024
Lease liabilities	<u>\$576,623</u>	<u>\$600,647</u>
Current	\$26,339	\$26,475
Non-current	<u>550,284</u>	<u>574,172</u>
Total	<u>\$576,623</u>	<u>\$600,647</u>

Please refer to Note 6(27)(d) for the interest on lease liabilities recognized during the year ended December 31, 2025 and 2024, and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as at December 31, 2025 and 2024.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

B. Amounts recognized in the income statement

Depreciation of right-of-use assets

	For the year ended December 31,	
	2025	2024
Land	\$32,053	\$20,861
Buildings	12,662	12,662
Machinery and equipment	296	106
Transportation equipment	4,800	6,246
Office equipment	178	161
Other equipment	-	120
Total	\$49,989	\$40,156

C. Income and costs relating to leasing activities

	For the year ended December 31,	
	2025	2024
The expense relating to short-term lease expenses	\$(18,198)	\$(4,270)
The expense relating to leases of low-value assets (Not including the expense relating to short-term leases of low-value assets)	(19)	(19)

As of December 31, 2025 and 2024, the portfolio of short-term leases of the Group to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expense disclosed above and the amount of its lease commitments is NT\$0.

D. Cash outflow relating to leasing activities

During the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases amounted to NT\$61,776 thousand and NT\$40,029 thousand, respectively.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(b) Group as a lessor

The Group has entered leases on plants. These leases have terms of between one and fifteen years. These leases are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the year ended December 31,	
	2025	2024
Lease income for operating leases		
Income relating to fixed lease payments	\$52,397	\$38,457
Lease income for finance lease		
Finance income on the net investment in the lease	556	2,691
Total	<u>\$52,953</u>	<u>\$41,148</u>

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2025 and 2024 are as follows:

	As of December 31,	
	2025	2024
Less than one year	\$27,221	\$26,179
More than one year but less than five years	66,573	142,424
Total	<u>\$93,794</u>	<u>\$168,603</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The Group enters into a financial lease agreement, and the undiscounted lease payment and the total amount for the remaining years will be received as of December 31, 2025 and 2024 are as follows:

	As of December 31,	
	2025	2024
Undiscounted lease payments		
Year 1	\$7,188	\$30,852
Year 2	966	15,812
Year 3	-	967
Total undiscounted lease payments	8,154	47,631
Less: lease payment unearned revenue	(62)	(991)
Net investment in the lease (Finance lease receivables)	\$8,092	\$46,640
Current	\$7,135	\$30,026
Non-current	957	16,614
Total	\$8,092	\$46,640

(26) Summary of employee benefits, depreciation and amortization by function is as follows:

Nature \ Function	For the year ended December 31,					
	2025			2024		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits						
Salaries and wages	\$487,871	\$400,791	\$888,662	\$391,152	\$402,540	\$793,692
Labor and health insurance	34,490	40,557	75,047	41,771	34,914	76,685
Pension	22,483	20,710	43,193	19,470	19,181	38,651
Other employee benefits expense	43,375	29,725	73,100	23,481	21,724	45,205
Depreciation	257,088	79,348	336,436	208,455	61,064	269,519
Amortization	1,673	13,957	15,630	9,864	8,673	18,537

According to the amended Articles of Incorporation approved through the shareholders' meeting held on June 19, 2025, between 1% to 10% of profit (referring to profit before tax less employee compensation and director remuneration) of the current year, if any, shall be allocated as employees' compensation, of which 25% shall be distributed to non-managerial employees, and no more than 2% profit of the current year distributable as remuneration to directors. However, the Company's accumulated losses shall first have been covered.

The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit, the Company estimated 2% of the employees' compensation and 1% of remuneration to directors for the year ended December 31, 2025 amounted to NT\$3,153 thousand, and NT\$1,577 thousand respectively.

Based on profit, the Company estimated 2% of the employees' compensation and 1% of remuneration to directors for the year ended December 31, 2024 amounted to NT\$5,899 thousand, and NT\$2,950 thousand respectively.

The Company's Board of Directors' meeting has determined the employees' compensation and directors' remuneration, all in cash, to be NT\$3,153 thousand and NT\$1,577 thousand, respectively, for the year ended December 31, 2025, in a meeting held on March 12, 2026. No differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2025.

The Company's Board of Directors' meeting has determined the employees' compensation and directors' remuneration, all in cash, to be NT\$5,899 thousand and NT\$2,950 thousand, respectively, for the year ended December 31, 2024, in a meeting held on March 13, 2025. No differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2024.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(27) Non-operating incomes and expenses

(a) Interest income

	For the year ended December 31,	
	2025	2024
Interest income		
Financial assets measured at amortized cost	\$35,657	\$64,989
Related party lending	-	233
Other	643	3,035
Total	\$36,300	\$68,257

(b) Other revenue

	For the year ended December 31,	
	2025	2024
Rental income	\$52,398	\$38,457
Dividend income	-	1,267
Other	67,555	82,830
Total	\$119,953	\$122,554

(c) Other gains and losses

	For the year ended December 31,	
	2025	2024
Gains (losses) on disposal of property, plant and equipment	\$(4,183)	\$(26,278)
Gains on disposal of investments	-	11,572
Foreign exchange (losses) gains, net	(45,178)	141,475
Gains (losses) on financial assets at fair value through profit or loss	(179)	(906)
Others	(43,727)	(26,183)
Impairment of non-financial assets	-	(95,929)
Total	\$(93,267)	\$3,751

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(d) Finance costs

	For the year ended December 31,	
	2025	2024
Interest on borrowings from bank	\$63,971	\$59,599
Interests on convertible bonds	768	9,105
Interests on lease liabilities	16,604	9,348
Interest calculated on deposit	21	-
Total	\$81,364	\$78,052

(28) Components of other comprehensive income

For the year ended December 31, 2025

	Arising during the period	Reclassification during the period	Other equipment Other comprehensive income, pre-tax	Tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of defined benefit plans	\$340	\$-	\$340	\$(68)	\$272
Unrealized gains (losses) on equity instruments investments measured at fair value through other comprehensive income	1,280	-	1,280	-	1,280
May be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	41,344	-	41,344	(9,943)	31,401
Total of other comprehensive income	\$42,964	\$-	\$42,964	\$(10,011)	\$32,953

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

For the year ended December 31, 2024

	Arising during the period	Reclassification during the period	Other equipment Other comprehensive income, pre-tax	Tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of defined benefit plans	\$2,892	\$-	\$2,892	\$(579)	\$2,313
Unrealized gains (losses) on equity instruments investments measured at fair value through other comprehensive income	(18,645)	-	(18,645)	(550)	(19,195)
May be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	86,680	-	86,680	(17,454)	69,226
Total of other comprehensive income	\$70,927	\$-	\$70,927	\$(18,583)	\$52,344

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(29) Income taxes

(a) The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	<u>For the year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Current income tax expense (income):		
Current income tax charge	\$45,305	\$66,665
Adjustments in respect of current income tax of prior periods	10,197	(589)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	9,147	16,155
Total income tax expense	<u>\$64,649</u>	<u>\$82,231</u>

Income tax relating to components of other comprehensive income

	<u>For the year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Deferred tax expense (income):		
Remeasurements of defined benefit plans	\$68	\$579
Unrealized gains (losses) on equity instruments investments measured at fair value through other comprehensive income	-	550
Exchange differences on translation of foreign operations	9,943	17,454
Total	<u>\$10,011</u>	<u>\$18,583</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(b) Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the year ended December 31,	
	2025	2024
Accounting income before tax from continuing operations	\$201,872	\$282,782
Tax payable at the enacted tax rates	\$59,738	\$80,493
Surtax on Undistributed retained earnings	4,572	3,684
Tax effect of expenses not deductible for tax purposes	(43,200)	(28,195)
Tax effect of deferred tax assets/liabilities	33,342	35,260
Effects of changes in tax rates due to adjustments	-	(8,422)
Adjustments in respect of current income tax of prior periods	10,197	(589)
Total income tax expense recognized in profit or loss	\$64,649	\$82,231

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(c) Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2025

	Beginning balance as Jan. 1, 2025	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Exchange differences	Ending balance as of Dec. 31, 2025
Temporary differences					
Loss on inventory valuation	\$35,899	\$(5,202)	\$-	\$-	\$30,697
Asset impairment loss	5,783	(364)	-	-	5,419
Unrealized exchange loss (gain)	(10,893)	6,055	-	-	(4,838)
Exchange differences on translation of foreign operations	9,884	-	(9,943)	-	(59)
Undistributed earnings of subsidiaries	(174,847)	(21)	-	-	(174,868)
Loss carryforwards	34,051	(10,972)	-	-	23,079
Fair value adjustment arising in business combinations	(1,020)	1,223	-	49	252
Other	<u>(27,927)</u>	<u>134</u>	<u>(68)</u>	<u>(165)</u>	<u>(28,026)</u>
Deferred tax income/(expense)		<u>\$(9,147)</u>	<u>\$(10,011)</u>	<u>\$(116)</u>	
Net deferred tax assets/(liabilities)	<u>\$(129,070)</u>				<u>\$(148,344)</u>
Reflected in balance sheet as follows:					
Deferred tax assets	<u>\$130,877</u>				<u>\$104,101</u>
Deferred income tax liabilities	<u>\$259,947</u>				<u>\$252,445</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

For the year ended December 31, 2024

	Beginning balance as Jan. 1, 2024	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Business combinations	Exchange differences	Ending balance as of Dec. 31, 2024
Temporary differences						
Loss on inventory valuation	\$30,254	\$5,602	\$-	\$43	\$-	\$35,899
Asset impairment loss	6,867	(1,084)	-	-	-	5,783
Unrealized exchange loss (gain)	6,936	(18,513)		-	684	(10,893)
Exchange differences on translation of foreign operations	27,338	-	(17,454)	-	-	9,884
Undistributed earnings of subsidiaries	(174,690)	(157)	-	-	-	(174,847)
Loss carryforwards	-	(9,168)	-	43,219	-	34,051
Fair value adjustment arising in business combinations	-	1,817	-	(2,813)	(24)	(1,020)
Other	<u>(30,551)</u>	<u>5,348</u>	<u>(1,129)</u>	<u>377</u>	<u>(1,972)</u>	<u>(27,927)</u>
Deferred tax income/(expense)		<u>\$ (16,155)</u>	<u>\$ (18,583)</u>	<u>\$ 40,826</u>	<u>\$ (1,312)</u>	
Net deferred tax assets/(liabilities)	<u>\$ (133,846)</u>					<u>\$ (129,070)</u>
Reflected in balance sheet as follows:						
Deferred tax assets	<u>\$98,159</u>					<u>\$130,877</u>
Deferred income tax liabilities	<u>\$232,005</u>					<u>\$259,947</u>

(d) Unrecognized deferred tax assets

As of December 31, 2025 and 2024, deferred tax assets that have not been recognized as they may not be used to offset future taxable profits amounted to NT\$217,167 thousand and NT\$160,516 thousand, respectively.

(e) Unrecognized deferred tax liabilities

The Company has not recognized a deferred tax liability for income taxes that may become payable upon the repatriation of undistributed profits from its foreign subsidiaries since the year 2024. The Company has decided that it will not distribute the undistributed earnings of the subsidiaries in the foreseeable future. As of December 31, 2025 and 2024, the unrecognized deferred tax liability amounted to NT\$53,540 thousand and \$16,704 thousand, respectively.

(f) The assessment of income tax returns

As of December 31, 2025, the status of tax authority's assessment of the income tax returns of the Company and its subsidiaries were as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2023
Subsidiary- Global Tek Co., Ltd.	Assessed and approved up to 2023
Subsidiary- AvioCast Inc.	Assessed and approved up to 2023

(30) Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(a) Basic earnings per share

	For the year ended December 31,	
	2025	2024
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$148,979	\$248,039
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	109,798	100,039
Earnings per share - basic (in NT\$)	\$1.36	\$2.48

(b) Diluted earnings per share

	For the year ended December 31,	
	2025	2024
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$148,979	\$248,039
Effect of dilution:		
Gain or loss on valuation of redemption from convertible bonds	(143)	696
Interest expense from convertible bonds	614	7,284
Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT\$)	\$149,450	\$256,019
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	109,798	100,039
Effect of dilution:		
Employee bonus – stock (in thousand shares)	69	94
Convertible bonds (in thousand shares)	852	10,597
Restricted stock units (in thousand shares)	6	
Weighted average number of ordinary shares outstanding after dilution (in thousand shares)	110,725	110,730
Earnings per share - diluted (in NT\$)	\$1.35	\$2.31

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

There were no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(31) Business combination

Acquisition of AvioCast Inc.

To continue the vertical integration of its production supply chain and deepen its aerospace product line, the Group's Board of Directors resolved on March 14, 2024, to purchase 319 thousand shares from AvioCast Inc.'s shareholders, increasing its share interest from 49.03% to 50.23%. The Group gained control and included AvioCast Inc. as part of its consolidated financial statements in April 2024.

The Group has elected to measure the non-controlling interests in AvioCast Inc. based on the proportionate share of the acquiree's identifiable net assets.

The assets and liabilities of AvioCast Inc. as of the acquisition date are as follows:

	<u>Fair value as at the date of acquisition</u>
Assets	
Cash and cash equivalents	\$66,513
Financial assets measured at amortized cost	997
Account receivables	118,679
Other receivables	1,505
Inventories	138,202
Prepayments	37,944
Other current assets	146
Property, plant and equipment	457,261
Right-of-use asset	55,619
Intangible assets	48,425
Deferred tax assets	43,639
Prepayment for equipment	913
Other non-current assets	4,823
Total	<u>974,666</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

	<u>Fair value as at the date of acquisition</u>
Liabilities	
Short-term loans	\$35,000
Contract liabilities	11,191
Note payables	16,348
Accounts payables	32,375
Other payables	22,691
Lease liabilities	57,328
Other current liabilities	1,394
Long-term loans	608,860
Deferred tax liabilities	12,679
Total	<u>797,866</u>
Total net assets	<u><u>\$176,800</u></u>

The amount of goodwill for AvioCast Inc. is as follows:

Purchase consideration – cash	\$3,190
Add: Fair value of equity held prior to acquisition date	131,428
Add: Non-controlling interests	87,993
Less: Provisional fair value of identifiable net assets	<u>(176,800)</u>
Goodwill	<u><u>\$45,811</u></u>

Cash consideration

Cash flow on acquisition	
Net cash acquired with the subsidiary	\$66,513
Cash paid	<u>(3,190)</u>
Net cash inflow	<u><u>\$63,323</u></u>

The Group had sought an independent appraisal of the net assets held by AvioCast Inc. and the purchase price allocation was completed during the second quarter of 2025. According to the purchase price allocation result, the fair value on the acquisition date amounted to NT\$176,800 thousand, an increase of NT\$50,715 thousand compared to the provisional fair value.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The comparative information as of December 31, 2024, had been retrospectively adjusted to reflect the aforementioned differences. The adjusted amounts are as follows:

Increase in property, plan and equipment	\$21,917
Increase in intangible assets excluding goodwill	32,876
Decrease in retained earnings	3,491
Increase in non-controlling interests	(21,851)
Decrease in goodwill	(25,474)
Increase in deferred tax liabilities	(10,959)
Increase in operating costs	(399)
Increase in general and administrative	(5,147)
Decrease in other gains and losses	(3,439)
Decrease in finance costs	385
Decrease in income tax expense	1,720

Acquisition of Global Tek (Suzhou) Precision Industry Co., Ltd.

Considering the Group's operational development plans and to strengthen strategic partnerships, the Group participated in the cash capital increase of Global Tek (Suzhou) Precision Industry Co., Ltd. The company completed its cash capital increase in May 2024. As a result, the Group, through its subsidiary Global Tek (Wuxi) Co., Ltd., increased its ownership percentage from 4.11% to 31.21%, and its subsidiary Global Tek Fabrication Co., Ltd. (Samoa) holds 22.10% stake. In May 2024, the Group obtained control and included Global Tek (Suzhou) Precision Industry Co., Ltd. as part of its consolidated financial statements.

The Group has elected to measure the non-controlling interests in Global Tek (Suzhou) Precision Industry Co., Ltd. at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The assets and liabilities of Global Tek (Suzhou) Precision Industry Co., Ltd. as of the acquisition date are as follows:

	<u>Fair value as at the date of acquisition</u>
Assets	
Cash and cash equivalents	\$48,676
Note receivables	17,255
Account receivables	44,602
Other receivables	2,574
Inventories	72,283
Prepayments	25,754
Property, plant and equipment	287,687
Right-of-use asset	39,646
Intangible assets	16,454
Other non-current assets	64
Deferred tax assets	14,234
Subtotal	<u>569,229</u>
Liabilities	
Short-term loans	\$45,843
Contract liabilities	9,704
Account payables	53,785
Other payables	96,943
Long-term loans	199,301
Deferred tax liabilities	4,368
Subtotal	<u>409,944</u>
Total net assets	<u>\$159,285</u>

The amount of goodwill for Global Tek (Suzhou) Precision Industry Co., Ltd. is as follows:

Purchase consideration – cash	\$172,977
Add: Fair value of equity held prior to acquisition date	7,762
Add: Non-controlling interests	74,361
Less: Provisional fair value of identifiable net assets	<u>(159,285)</u>
Goodwill	<u>\$95,815</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Cash consideration

Cash flows from acquisition	
Net cash acquired with the subsidiary	\$48,676
Cash paid(Note)	-
Net cash inflow	<u>\$48,676</u>

Note: The Group invested RMB36,000 thousand (approximately US\$5,669 thousand) in Global Tek (Suzhou) Precision Industry Co., Ltd. during the years 2022 to 2023. Global Tek (Suzhou) Precision Industry Co., Ltd. completed its cash capital increase in May 2024, resulting in the Group's final consolidated ownership ratio of 53.31%. In May 2024, the Group obtained control and included Global Tek (Suzhou) Precision Industry Co., Ltd. in its consolidated financial statements. For further details, please refer to Note 6(9).

The Group had sought an independent appraisal the net assets held by Global Tek (Suzhou) Precision Industry Co., Ltd. and the purchase price allocation was completed during the second quarter of 2025. According to the purchase price allocation result, the fair value on the acquisition date amounted to NT\$159,285 thousand, which is a decrease of NT\$6,923 thousand compared to the provisional fair value.

The comparative information as of December 31, 2024, had been retrospectively adjusted to reflect the aforementioned differences. The adjusted amounts are as follows:

Decrease in property, plant, and equipment	\$(677)
Decrease in intangible assets excluding goodwill	(10,373)
Decrease in right-of-use assets	(108)
Decrease in deferred tax assets	(239)
Decrease in retained earnings	4,827
Decrease in deferred income tax liabilities	2,620
Decrease in non-controlling interests	4,038
Increase in exchange differences on translation of foreign operations	(88)
Increase in general and administrative	(2,013)
Decrease in other gains and losses	(3,712)
Decrease in income tax expense	97

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(32) Changes in parent's interest in subsidiaries

Acquisition of additional interest in a subsidiary

In July 2025, the Group acquired an additional 37.03% of the voting shares of Global Tek (Suzhou) Precision Industry Co., Ltd., increasing its ownership to 68.24%. A cash consideration of NT\$23,167 thousand was paid to the non-controlling interest shareholders. The carrying amount of Global Tek (Suzhou) Precision Industry Co., Ltd.'s net assets (excluding goodwill on the original acquisition) was NT\$(3,343) thousand. Additional interest acquired in Global Tek (Suzhou) Precision Industry Co., Ltd. including changes in non-controlling interests and adjustments to retained earnings is as follow:

Cash consideration paid to non-controlling shareholders	\$(23,167)
Decrease to non-controlling interests	(2,448)
Difference recognized in capital surplus or retained earning within equity	<u><u>\$(25,615)</u></u>

(33) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation and Operation	Proportion of equity interest held by non-controlling interests	
		Dec. 31, 2025	Dec. 31, 2024
AvioCast Inc.	Taiwan	40.44%	40.44%
Global Tek (Suzhou) Precision Industry Co., Ltd.	Suzhou	9.65% (Note)	46.69%

Note: The Group, through its subsidiary Global Tek (Wuxi) Co., Ltd., purchased 37.03% interests from Top Yes Precision Metal Products Co., LTD, the shareholder of Global Tek (Suzhou) Precision Industry Co., Ltd. As a result, the Group's final consolidated ownership ratio increased from 53.31% to 90.34%.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Accumulated balances of material non-controlling interest:

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
AvioCast Inc.	\$94,399	\$82,664
Global Tek (Suzhou) Precision Industry Co., Ltd.	(Note)	\$15,929

Profit/(loss) allocated to material non-controlling interest:

	<u>For the year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
AvioCast Inc.	\$11,734	\$7,903
Global Tek (Suzhou) Precision Industry Co., Ltd.	(Note)	\$(58,104)

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

The summarized information of profit or loss of AvioCast Inc. and Global Tek (Suzhou) Precision Industry Co., Ltd. for the year ended December 31, 2025 is as follows:

	<u>AvioCast Inc</u>	<u>Global Tek (Suzhou)</u>
Operating revenue	\$576,873	(Note)
Profit/loss from continuing operation	33,562	(Note)
Total comprehensive income (loss)	33,562	(Note)

The summarized information of assets and liabilities of AvioCast Inc. and Global Tek (Suzhou) Precision Industry Co., Ltd. as of December 31, 2025 is as follows:

	<u>AvioCast Inc</u>	<u>Global Tek (Suzhou)</u>
Current assets	\$397,619	(Note)
Non-current assets	930,608	(Note)
Current liabilities	245,127	(Note)
Non-current liabilities	899,158	(Note)

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The summarized information of profit or loss of AvioCast Inc. and Global Tek (Suzhou) Precision Industry Co., Ltd. for the year ended December 31, 2024 (From 2024.05.01 to 2024.12.31) is as follows:

	<u>AvioCast Inc</u>	<u>Global Tek (Suzhou)</u>
Operating revenue	\$381,871	\$101,780
Profit/loss from continuing operation	24,295	(122,546)
Total comprehensive income (loss)	24,295	(122,546)

The summarized information of assets and liabilities of AvioCast Inc. and Global Tek (Suzhou) Precision Industry Co., Ltd. as of December 31, 2024 is as follows:

	<u>AvioCast Inc</u>	<u>Global Tek (Suzhou)</u>
Current assets	\$353,249	\$127,787
Non-current assets	958,131	345,645
Current liabilities	199,288	405,253
Non-current liabilities	961,713	2,606

The summarized cash flows information of AvioCast Inc. and Global Tek (Suzhou) Precision Industry Co., Ltd. for the year ended December 31, 2025 is as follows:

	<u>AvioCast Inc</u>	<u>Global Tek (Suzhou)</u>
Operating activities	\$97,619	(Note)
Investing activities	(51,053)	(Note)
Financing activities	(37,087)	(Note)
Net increase/(decrease) in cash and cash equivalents	9,479	(Note)

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The summarized cash flows information of AvioCast Inc. and Global Tek (Suzhou) Precision Industry Co., Ltd. for the year ended December 31, 2024 (From 2024.05.01 to 2024.12.31) is as follows:

	<u>AvioCast Inc</u>	<u>Global Tek (Suzhou)</u>
Operating activities	\$152,032	\$(14,853)
Investing activities	(45,265)	(3,024)
Financing activities	(96,681)	10,274
Net increase/(decrease) in cash and cash equivalents	10,086	(7,603)

7.RELATED PARTY TRANSACTIONS

(1) Deal with related parties as of the end of the reporting period

Related parties and Relationship

<u>Related parties</u>	<u>Relationship</u>
Honda Business Systems Ltd.	Associate (Note 1)
Top Yes Precision Metal Products Co., LTD. (Shenzhen)	Associate (Note 2)
ACTION TOOLING INC.	Associate (Note 2)
BAO LI SHUN CORPORATION	Associate (Note 2)
TONG YEU ENTERPRISE CO., LTD.	Associate (Note 2)
CHANG, KUNG-TIEN	Shareholder of Subsidiary (Note 2)
TSAI,WEN-CHEN	Shareholder of Subsidiary (Note 2)
Global Tek (Suzhou) Precision Industry Co., Ltd.	Associate (Note)
AvioCast Inc.	Associate (Note)
Key management of the Group	Personnel at the level of vice president and above

Note: The Group gained control and included AvioCast Inc. and its subsidiaries as part of its consolidated financial statements in April 2024.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The Group gained control and included Global Tek (Suzhou) Precision Industry Co., Ltd. as part of its consolidated financial statements in May 2024.

Note 1: Honda Business Systems Ltd. sold all of its interests in AvioCast Inc. on May 20, 2025, therefore on June 1, 2025, it was no longer a related party.

Note 2: Top Yes Precision Metal Products Co., LTD. sold its interests in Global Tek (Suzhou) Precision Industry Co., Ltd. in July 2025. Therefore, Top Yes Precision Metal Products Co., LTD. (Shenzhen), Bao Li Shun Corporation, Tong Yeu Enterprise Co., Ltd., Action Tooling Inc., Chang Kung-Tien, and Tsai Wen-Chen are no longer considered related parties from July 2025.

(2) Significant transactions with related parties

A. Sales

	For the year ended December 31,	
	2025	2024
ACTION TOOLING INC.	\$-	\$2,826
Honda Business Systems Ltd.	3,799	2,565
Total	<u>\$3,799</u>	<u>\$5,391</u>

The sales price to the above related parties are comparable with third party customers. The collection period to related parties and third party customers was 90 days after monthly closing.

B. Accounts receivable

	As of December 31,	
	2025	2024
ACTION TOOLING INC.	\$-	\$109,248
Less: Loss allowance	-	(109,248)
Total	<u>\$-</u>	<u>\$-</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

C. Other receivables (excluding financing provided to others)

	As of December 31,	
	2025	2024
Honda Business Systems Ltd.	\$-	\$54

D. Loans to related parties

(a) Interest income

	For the year ended December 31,	
	2025	2024
Global Tek (Suzhou) Precision Industry Co., Ltd.	\$-	\$233

E. Accounts payable

	As of December 31,	
	2025	2024
ACTION TOOLING INC.	\$-	\$240
BAO LI SHUN CORPORATION	-	4,366
TONG YEU ENTERPRISE CO., LTD.	-	1,615
Total	\$-	\$6,221

F. Other payables

	As of December 31	
	2025	2024
Top Yes Precision Metal Products Co., LTD. (Shenzhen)	\$-	\$11,706
CHANG, KUNG-TIEN	-	16,573
TSAI, WEN-CHEN	-	3,583
Total	\$-	\$31,862

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

G. For the year ended December 31, 2024, the Group entrusted AvioCast Inc. to provide labor services and recognized operating revenue in the amount of NT\$780 thousand.

H. Salaries and rewards to key management of the Group

	For the year ended December 31,	
	2025	2024
Short-term employee benefit	\$37,995	\$34,302
Post-employment benefit	626	540
Total	\$38,621	\$34,842

8. ASSETS PLEDGED AS COLLATERAL

Item	Carrying amount As of December 31,		Secured liabilities
	2025	2024	
Accounts receivables	\$4,155	\$5,627	Short-term loans
Financial assets measured at amortized cost-current	39,645	134,825	Collateral for notes receivable account
Financial assets measured at amortized cost-non current	3,115	4,233	Custom bond and Government case
Financial assets measured at amortized cost-non current	-	3,877	Performance guarantees
Land	1,410,612	1,410,612	Long-term loans
Property, plant and equipment – buildings(net)	559,414	579,275	Short-term and Long-term loans
Refundable deposits	10,771	9,926	Long-term plant and land deposits and performance guarantees
Total	\$2,027,712	\$2,148,375	

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(a) As of December 31, 2025 and 2024, the outstanding contracts relating to purchased property, plant and equipment of Global Tek Fabrication Co., Ltd., Global Tek Co., Ltd., Global Tek (Wuxi) Co., Ltd. and GLOBAL TEK GROUP (THAI) CO., LTD. for business needs were as follows:

	As of December 31,	
	2025	2024
Purchased property, plant and equipment		
Global Tek Fabrication Co., Ltd.	\$27,954	\$32,245
Global Tek Co., Ltd.	21,287	-
Global Tek (Wuxi) Co., Ltd.	4,218	12,889
GLOBAL TEK GROUP (THAI) CO., LTD.	331,010	-
Total	<u>\$384,469</u>	<u>\$45,134</u>

(b) As of December 31, 2025 and 2024, the Global Tek Co., Ltd. guarantee noted issued as collateral for the purchase of materials were NT\$88,960 thousand.

10. LOSSES DUE TO MAJOR DISASTERS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

12. OTHERS

(1) Categories of financial instruments

<u>Financial assets</u>	As of December 31,	
	2025	2024
Financial asset at fair value through profit of loss:		
Mandatorily measured at fair value through profit of loss	\$542	\$721
Financial assets at fair value through other comprehensive income	49,946	48,666
Financial assets measured at amortized cost		
Cash and cash equivalents (excluding petty cash and cash on hand)	2,087,913	1,936,668
Financial assets measured at amortized cost	42,760	142,935
Accounts receivables (including related parties)	1,699,985	1,730,997
Other receivables (including related parties)	32,431	49,007
Refundable deposits	17,540	17,951
Total	<u>\$3,931,117</u>	<u>\$3,926,945</u>
<u>Financial liabilities</u>	As of December 31,	
	2025	2024
Financial liabilities at amortized cost:		
Short-term loans	\$1,007,988	\$517,262
Payables (including related parties)	1,530,411	1,581,529
Long-term loans (current portion included)	2,064,858	2,127,237
Bonds payable (current portion included)	40,899	44,687
Lease liabilities	576,623	600,647
Guarantee deposits received	7,142	7,543
Total	<u>\$5,227,921</u>	<u>\$4,878,905</u>

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable. There are usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the years ended December 31, 2025 and 2024 is decreased / increased by NT\$13,678 thousand and NT\$16,502 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investments with variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2025 and 2024 to increase/decrease by NT\$985 thousand and NT\$708 thousand, respectively.

Equity price risk

The fair value of the Group's unlisted equity securities to market price risk arising from uncertainties about future values of the investment securities. The Group's unlisted equity securities are measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 1% in the price of the unlisted equity securities measured at fair value through profit or loss could increase/decrease the Group's equity for the years ended December 31, 2025 and 2024 by NT\$500 thousand and NT\$486 thousand, respectively.

Please refer Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that the counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables, notes receivables and lease payment receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

Credit risk from balances with banks and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counterparties.

The objects of accounts receivable cover a large number of customers, scattered in different industries and geographical regions. The Group evaluates the financial condition of its accounts receivable customers on an ongoing basis.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The Group adopted IFRS 9 to assess the expected credit losses. Except for accounts receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss are purchased based on low credit risk, and the Group makes an assessment on each balance sheet date as to whether the credit risk rises significantly since original recognition and then further determines the method of measuring the loss allowance and the loss rate.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds etc. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted interest payment relating to borrowings with variable interest rates is extrapolated based on the estimated yield curve as of the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	1 to 3 years	3 to 5 years	Over than 5 years	Total
As of Dec. 31, 2025					
Short-term loans	\$1,013,014	\$-	\$-	\$-	\$1,013,014
Long-term loans	233,339	1,428,158	379,610	121,359	2,162,466
Payables	1,530,411	-	-	-	1,530,411
Convertible bonds	41,600	-	-	-	41,600
Lease liabilities (Note)	41,425	104,010	102,172	470,756	718,363

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

	Less than 1		Over than 5		Total
	year	1 to 3 years	3 to 5 years	years	
As of Dec. 31, 2024					
Short-term loans	\$522,024	\$-	\$-	\$-	\$522,024
Long-term loans	489,489	1,335,843	191,006	192,090	2,208,428
Payables	1,581,529	-	-	-	1,581,529
Convertible bonds	100	46,200	-	-	46,300
Lease liabilities (Note)	43,489	57,592	101,310	559,310	761,701

Note: The table below provides further information on the lease liability maturity analysis:

	Due period			Total
	Less than 1 year	1 to 5 years	6 to 10 years	
As of Dec. 31, 2025	\$41,425	\$206,182	\$470,756	\$718,363
As of Dec. 31, 2024	\$43,489	\$158,902	\$559,310	\$761,701

(6) Reconciliation schedule of liabilities arising from financing activities

Reconciliation schedule of liabilities for the year ended December 31, 2025:

	Short-term	Long-term	Guarantee	Lease	Bonds payable	Total liabilities
	loans	loans	deposits	liabilities		from financing
						activities
As of January 1, 2025	\$517,262	\$2,127,237	\$7,543	\$600,647	\$44,687	\$3,297,376
Cash flows	490,726	(64,593)	(401)	(43,559)	-	382,173
Non-cash changes						
Lease range changes	-	-	-	2,946	-	2,946
Interest expense	-	-	-	16,604	768	17,372
Other	-	-	-	-	(4,556)	(4,556)
Exchange differences	-	2,214	-	(15)	-	2,199
As of December 31, 2025	\$1,007,988	\$2,064,858	\$7,142	\$576,623	\$40,899	\$3,697,510

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Reconciliation schedule of liabilities for the year ended December 31, 2024:

	Short-term loans	Long-term loans	Guarantee deposits	Lease liabilities	Bonds payable	Total liabilities from financing activities
As of January 1, 2024	\$332,795	\$1,407,550	\$5,635	\$118,154	\$918,630	\$2,782,764
Cash flows	103,624	(87,922)	1,908	(35,740)	-	(18,130)
Non-cash changes						
Consolidated entities changes	80,843	808,161	-	57,328	-	946,332
Lease range changes	-	-	-	451,508	-	451,508
Interest expense	-	-	-	9,348	9,105	18,453
Other	-	-	-	-	(883,048)	(883,048)
Exchange differences	-	(552)	-	49	-	(503)
As of December 31, 2024	\$517,262	\$2,127,237	\$7,543	\$600,647	\$44,687	\$3,297,376

(7) Fair value of financial instruments

(a) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- i. The carrying amount of cash and cash equivalents, accounts receivables, accounts payables and other current liabilities approximate their fair value.
- ii. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates bonds and futures etc.) at the reporting date.

- iii. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- iv. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(b) Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, accounts receivables, accounts payables and other current liabilities whose carrying amount approximate their fair value, the fair value of the Group's financial assets and financial liabilities measured at amortized cost is listed in the table below:

	Carrying amount as of	
	December 31,	
	2025	2024
Financial liabilities:		
Bonds payable	\$40,899	\$44,687
	Fair value as of December 31,	
	2025	2024
Financial liabilities:		
Bonds payable	\$41,009	\$44,655

(c) Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

As of December 31, 2025 and 2024, the Group's derivative financial instruments include embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled are as follows:

Embedded derivatives

The embedded derivatives arising from issuing convertible bonds have been separated from the host contract and carried at fair value through profit or loss. Please refer to Note 6 for further information on this transaction.

(9) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis.

Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets:</u>				
Financial asset measured at fair value through profit or loss				
Convertible corporate bond call (put) options	\$-	\$25	\$-	\$25
Funds beneficiary certificates	517	-	-	517
Financial assets at fair value through other comprehensive income				
Equity instrument investment measured at fair value through other comprehensive income	-	-	49,946	49,946
<u>Financial liabilities:</u>				
None				

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

As of December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets:</u>				
Financial asset measured at fair value through profit or loss				
Convertible corporate bond call (put) options	\$-	\$203	\$-	\$203
Funds beneficiary certificates	518	-	-	518
Financial assets at fair value through other comprehensive income				
Equity instrument investment measured at fair value through other comprehensive income	-	-	48,666	48,666

Financial liabilities:

None

Transfers between Level 1 and Level 2 during the period

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

Valuation process used for fair value measurements categorized within Level 2 of the fair value hierarchy

The convertible corporate bond call (put) options is based on the discounted cash flow method, and the future cash flow is estimated based on the stock price volatility in the last year and the annual bond yield rate.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	<u>Assets</u>
	Financial asset at fair value through other comprehensive income
	<u>Stock</u>
As of January 1, 2025	\$48,666
Total gains and losses recognized for the year ended December 31, 2025:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	1,280
As of December 31, 2025	<u>\$49,946</u>
	<u>Assets</u>
	Financial asset at fair value through other comprehensive income
	<u>Stock</u>
As of January 1, 2024	\$79,925
Total gains and losses recognized for the year ended December 31, 2024:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	(18,645)
Acquisitions/Issuances for the year ended December 31, 2024	683
Disposals/Settlements for the year ended December 31, 2024	(13,382)
Exchange differences	85
As of December 31, 2024	<u>\$48,666</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

<u>Financial instrument category</u>	<u>Valuation techniques and inputs</u>
Domestic unlisted (cabinet) stock investment	The fair value is estimated using the market method, and the determination is based on the industry category, the evaluation of the same type of company and the operating situation.
Foreign unlisted (cabinet) stock investment	Using the income method, the present value of the income expected to be derived from holding the investment is calculated by discounting cash flows.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2025

	<u>Valuation techniques</u>	<u>Significant unobservable inputs</u>	<u>Quantitative information</u>	<u>Relationship between inputs and fair value</u>	<u>Sensitivity of the input to fair value</u>
Financial liabilities:					
Fair value through profit or loss					
Embedded derivatives	A binomial-tree model for convertible bond pricing	Volatility	42.63%	The higher the volatility, the higher the fair value of embedded derivatives	1% increase (decrease) in the volatility would result in increase (decrease) in the Group's profit or loss by NT\$2 thousand

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

As of December 31, 2024

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial liabilities:					
Fair value through profit or loss					
Embedded derivatives	A binomial-tree model for convertible bond pricing	Volatility	49.78%	The higher the volatility, the higher the fair value of embedded derivatives	1% increase (decrease) in the volatility would result in increase (decrease) in the Group's profit or loss by NT\$0 and NT\$30 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's financial department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

(c) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(11))	\$-	\$-	\$79,686	\$79,686

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables(please refer to Note 6(17))	<u>\$-</u>	<u>\$-</u>	<u>\$41,009</u>	<u>\$41,009</u>

As of December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(11))	<u>\$-</u>	<u>\$-</u>	<u>\$78,226</u>	<u>\$78,226</u>

Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables(please refer to Note 6(17))	<u>\$-</u>	<u>\$-</u>	<u>\$44,655</u>	<u>\$44,655</u>

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	<u>As of December 31, 2025</u>			<u>As of December 31, 2024</u>		
	<u>Foreign currencies</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currencies</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>						
Monetary items:						
USD	\$50,688	31.429	\$1,593,087	\$57,894	32.794	\$1,898,564
EUR	5,393	36.885	198,926	5,005	34.150	170,920
RMB	66,956	4.4995	301,267	48,082	4.479	215,359
JPY	519,662	0.2008	104,322	544,862	0.210	114,421

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

	As of December 31, 2025			As of December 31, 2024		
	Foreign currencies	Exchange rate	NTD	Foreign currencies	Exchange rate	NTD
<u>Financial liabilities</u>						
Monetary items:						
USD	\$7,194	31.429	\$226,099	\$5,217	32.794	\$171,074
EUR	1,391	36.885	51,304	1,384	34.150	47,276
RMB	34,074	4.4995	153,318	17,122	4.479	76,690

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

The Group's entities' functional currency are various and hence is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange gain/(loss) were NT\$(45,178) thousand and NT\$141,475 thousand for the years ended December 31, 2025 and 2024, respectively.

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. OTHER DISCLOSURE

(1) Information at significant transactions:

a. Financing provided to others: Please refer to Attachment 1.

b. Endorsement/Guarantee provided to others: Please refer to Attachment 2.

- c. Marketable securities held as of December 31, 2025. (excluding investments in subsidiaries, associates and joint ventures): Please refer to Attachment 3.
- d. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the year ended December 31, 2025: Please refer to Attachment 5.
- e. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of December 31, 2025: Please refer to Attachment 6.
- f. Other: Significant intercompany transactions between the parent with subsidiaries or among subsidiaries were disclosed in Attachment 7.

(2) Information on investees:

- A. Name, locations and related information of investees (not including investment in Mainland China): Please refer to Attachment 4.
- B. If an investee is controlled by an investor, the related information for the investee shall be disclosed as the same as Note 13(1):
 - (a) Financing provided to others: None.
 - (b) Endorsement/Guarantee provided to others: None.
 - (c) Marketable securities held as of December 31, 2025. (excluding investments in subsidiaries, associates and joint ventures): Please refer to Attachment 3.
 - (d) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the year ended December 31, 2025: Please refer to Attachment 5.
 - (e) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of December 31, 2025: Please refer to Attachment 6.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(3) Information on investments in Mainland China:

A. Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), book value of investments, cumulated inward remittance of earnings and limits on investment in Mainland China:

Amount in thousand; Currency denomination in NTD unless otherwise specified

Investee company	Main businesses and products	Total Amount of Pain-in Capital (Note3)	Method of Investment (Note1)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2025 (Note5)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2025	Net income(loss) of investee company	Percentage of Ownership	Investment income(loss) recognized	Carrying Value as of Dec. 31, 2025	Accumulated Inward Remittance of Earnings as of Dec. 31, 2025
					Outflow	Inflow						
Global Tek (Xi'An) Co., Ltd.	Precision machining of industrial automatic control parts and aerospace equipment parts	\$159,450 (USD 5,100)	(2)A	\$111,166 (USD 3,642)	\$-	\$-	\$111,166 (USD 3,642)	\$89,099 (RMB 20,551) (Note2&4)	100%	\$89,099 (RMB 20,551) (Note2,4&6)	\$681,958 (RMB 151,563) (Note2,4&6)	\$-

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Investee company	Main businesses and products	Total Amount of Pain-in Capital (Note3)	Method of Investment (Note1)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2025 (Note5)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2025	Net income(loss) of investee company	Percentage of Ownership	Investment income(loss) recognized	Carrying Value as of Dec. 31, 2025	Accumulated Inward Remittance of Earnings as of Dec. 31, 2025
					Outflow	Inflow						
Global Tek (Wuxi) Co., Ltd.	Precision machining of automotive components	\$704,420 (USD 22,000)	(2)B	\$494,073 (USD 16,378)	\$-	\$-	\$494,073 (USD 16,378)	\$115,680 (RMB 26,282) (Note2&4)	100%	\$115,680 (RMB 26,282) (Note2,4&6)	\$1,992,217 (RMB 442,764) (Note2,4&6)	\$-
Globaltek Xi'An Machinery Manufacturing Co., Ltd.	Sales of industrial automatic control parts and aerospace equipment parts	\$- (Note 7)	(2)C	\$-	\$-	\$-	\$-	\$(69) (RMB (16)) (Note2&4)	100%	\$(69) (RMB (16)) (Note2,4&6)	\$- (Note2,4&6)	\$-
Global Tek Metal Manufacturing (Shaanxi) Co., Ltd.	Precision machining of industrial automatic control parts and aerospace equipment parts	\$147,169 (RMB 33,000) (Note 2)	(2)D	\$-	\$-	\$-	\$-	\$4,184 (RMB 965) (Note2&4)	100%	\$4,184 (RMB 965) (Note2,4&6)	\$116,521 (RMB 25,896) (Note2,4&6)	\$-

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Investee company	Main businesses and products	Total Amount of Pain-in Capital (Note3)	Method of Investment (Note1)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2025 (Note5)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2025	Net income(loss) of investee company	Percentage of Ownership	Investment income(loss) recognized	Carrying Value as of Dec. 31, 2025	Accumulated Inward Remittance of Earnings as of Dec. 31, 2025
					Outflow	Inflow						
Global Tek (Suzhou) Precision Industry Co., Ltd.	Precision machining of automotive components	\$671,826 (USD 21,376)	(2)E	\$146,270 (USD 4,724)	\$-	\$-	\$146,270 (USD 4,724)	\$(83,428) (RMB(19,243)) (Note2&4)	90.34%	\$(60,285) (RMB (13,905)) (Note2,4&6)	\$(50,136) (RMB (11,143)) (Note2,4&6)	\$-

Accumulated Investment in Mainland China as of Dec. 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$777,679 (USD24,744)	\$1,057,429 (USD33,645)	\$2,968,374

Note 1: The investment methods are divided into the following three types, just indicate the types:

(1) Go directly to the mainland for investment.

(2) Reinvest in mainland China through a third-region company.

A. Global Tek (Xi'An) Co., Ltd. is 100% owned by Global Tek Co., LTD. (Samoa)

B. Global Tek (Wuxi) Co., Ltd. is invested by Global Tek Co., LTD. (Samoa) and Global Tek Fabrication Co., Ltd. (HK) to hold 47.02% and 52.98% of the shares respectively.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

C. Globaltek Xi'An Machinery Manufacturing Co., Ltd is 100% owned by Global Tek (Xi'An) Co., Ltd.

D. Global Tek Metal Manufacturing (Shaanxi) Co., Ltd. is 100% owned by Global Tek (Xi'An) Co., Ltd.

E. The Group through its subsidiary Global Tek (Wuxi) Co., Ltd., purchased 37.03% interests from Top Yes Precision Metal Products Co., LTD, the shareholders of Global Tek (Suzhou) Precision Industry Co., Ltd., increasing its ownership from 31.21%to 68.24%, and to 22.10% through its subsidiary, Global Tek Fabrication Co., Ltd. (Samoa). The Group's consolidated ownership percentage reached 90.34%.

(3) Other methods.

Note 2: Amounts in foreign currencies are translated into New Taiwan dollars using the exchange rates on the balance sheet date.

Note 3: It refers to the original investment amount of the original shareholder before the company acquires the equity of the mainland reinvested enterprise.

Note 4: Gain/loss on investment is recognized based on the financial statements which were audited by the independent auditors of the parent company in Taiwan.

Note 5: It refers to the original investment amount of the company's transfer investment enterprise in China.

Note 6: Transactions between consolidated entities are eliminated in the consolidated financial statements.

Note 7: Globaltek Xi'An Machinery Manufacturing Co., Ltd. has completed its deregistration in July 2025.

B. Significant transactions with the investees in mainland China:

- (a) Purchase and accounts payable with the related parties: Please refer to Attachment 7.
- (b) Sales and receivables with the related parties: Please refer to Attachment 7.
- (c) Property transaction amounts and resulting gain or loss: None.
- (d) Ending balance of endorsements/guarantees or collateral provided and the purposes: Please refer to Attachment 2.
- (e) Maximum balance, ending balance, interest rate range and total interest for current period from financing provided to others: Please refer to Attachment 1.
- (f) Transactions that have significant impact on profit or loss of current period or the financial position, such as services provided or rendered: Please refer to Attachment 7.
- (g) Above transactions are eliminated upon preparation of consolidated financial statements. Please refer to Attachment 7.

14. SEGMENT INFORMATION

- (1) For management purposes, the Group is organized into operating segments based on different products and services and has three reportable operating segments as follows:

Automotive products business: precision processing of auto parts and sales.

Industrial Products business: Industrial automatic control parts and sales.

Aerospace products business: Precision machining aerospace equipment parts and sales.

No operating segments have been aggregated to form the above reportable operating segments.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

The accounting policies of the Group's operating segments are consistent with the significant accounting policies summarized in Note 4. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements.

	Automotive products business	Industrial Products business	Aerospace products business	Adjustments & eliminations	Consolidated
<u>For the year ended Dec. 31, 2025</u>					
External customers				\$-	\$4,976,319
Revenue	\$2,435,414	\$1,652,993	\$887,912		
Inter-segment	647,671	456,101	-	(1,103,772)	-
Total revenue	<u>\$3,083,085</u>	<u>\$2,109,094</u>	<u>\$887,912</u>	<u>\$(1,103,772)</u>	<u>\$4,976,319</u>
Segment profit	<u>\$57,083</u>	<u>\$81,926</u>	<u>\$81,241</u>	<u>\$-</u>	<u>\$220,250</u>
Other unallocated amounts					
Non-operating incomes and expenses					(18,378)
Income before income tax					<u><u>\$201,872</u></u>
<u>For the year ended Dec. 31, 2024</u>					
External customers					
Revenue	\$2,386,721	\$1,719,842	\$690,807	\$-	\$4,797,370
Inter-segment	586,454	406,969	-	(993,423)	-
Total revenue	<u>\$2,973,175</u>	<u>\$2,126,811</u>	<u>\$690,807</u>	<u>\$(993,423)</u>	<u>\$4,797,370</u>
Segment profit	<u>\$49,673</u>	<u>\$33,643</u>	<u>\$74,160</u>	<u>\$-</u>	<u>\$157,476</u>
Other unallocated amounts					
Non-operating incomes and expenses					121,615
Income before income tax					<u><u>\$279,091</u></u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

Departmental (profit) loss refers to the profit earned by each department, excluding apportioned interest income, gains and losses from disposal of real estate, plant and equipment, net (profit) losses from foreign currency exchange, financial instrument evaluation gains and losses, financial costs, and income tax expenses. This measure is provided to the chief operating decision maker to allocate resources to departments and measure their performance.

Information on assets and liabilities of the reportable segment.

	Automotive products business	Industrial Products business	Aerospace products business	Unallocated assets	Consolidated
As of Dec. 31, 2025					
Segment assets	\$2,857,106	\$3,472,738	\$1,421,423	\$2,823,089	\$10,574,356
As of Dec. 31, 2024					
Segment assets	\$2,971,862	\$3,120,188	\$1,384,167	\$2,784,045	\$10,260,262

(2) Geographical information

(a) External customers Revenue :

	For the year ended December 31,	
	2025	2024
Asia	\$2,587,491	\$2,379,996
America	1,745,668	1,655,178
Europe	643,160	762,196
Total	\$4,976,319	\$4,797,370

The revenue information above is based on the location of the customer.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(b) Non-current assets

	As of December 31,	
	2025	2024
Taiwan	\$3,038,145	\$3,010,353
China	1,610,145	1,685,455
Other	472,625	185,773
Total	<u>\$5,120,915</u>	<u>\$4,881,581</u>

- (3) Information about major customers: For the years ended December 31, 2025 and 2024, the customer's sale accounted less than 10% of consolidated net sales, so it was not disclosed.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Financing provided to others

For the Years Ended December 31, 2025

Attachment 1

(In Thousands of Foreign Currency / New Taiwan Dollars)

NO. (Note1)	Lender	Counter-party	Financial accounting account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing (Note 2)	Amount of sales to (purchases from) counter-party	Reason for financing	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter-party (Note 3)	Limit of total financing amount (Note 3)
													Item	Value		
0	Global Tek Fabrication Co., Ltd.	GLOBAL TEK GROUP (THAI) CO., LTD.	Other receivables	YES	\$188,574 (USD 6,000)	\$188,574 (USD 6,000)	\$-	2.10%	2	\$-	To address future funding needs	\$-	None	-	\$989,458	\$1,978,916
1	Global Tek (Wuxi) Co., Ltd.	Global Tek (Suzhou) Precision Industry Co., Ltd.	Other receivables	YES	\$215,976 (CNY 48,000)	\$62,993 (CNY 14,000)	\$62,963 (CNY 13,993) (Note 5)	3.10%	2	\$-	Business turnover and factory construction	\$-	None	-	\$398,443	\$796,886
2	Global Tek GmbH	Formtechnology GmbH	Other receivables	NO	\$4,057 (EUR 110)	\$4,057 (EUR 110)	\$4,057 (EUR 110)	7.50%	2	\$-	Business turnover	\$4,057 (Note 4)	None	-	\$794	\$1,587

Note 1: Global Tek Fabrication Co., Ltd. and subsidiaries are coded as follows:

- 1.Global Tek Fabrication Co., Ltd. is coded "0".
- 2.The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Nature of financing is coded as follows:

- 1.Need for operating is coded "1".
- 2.Need for short term financing is coded "2".

Note 3: The total amount of the Company's funds lent to others shall not exceed 20% of the Company's latest net worth indicated in the financial statements audited or reviewed by a certified accountant. The limit for each borrower is determined according to the reason as follows:

- (1) For those who have business relationship with the Company, the individual loan amount shall not exceed the higher of the purchase or sales amount of the Company as of the time the loan is extended for the most recent year or the current year.
- (2) When there is a need for short-term financing, the amount of financing shall not exceed 40% of the Company's latest net worth indicated in the financial statements audited or reviewed by a certified accountant. The financing amount mentioned in the preceding paragraph refers to the cumulative balance of the Company's short-term financing funds.

Note 4 : Formtechnology GmbH filed the bankruptcy to local court in Germany and the local court appointed provisional assignee in December 2024. As of December 31, 2025, the bankruptcy and liquidation process has not been completed.

Note 5 : Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Endorsement/Guarantee provided to others

For the Years Ended December 31, 2025

Attachment 2

(In Thousands of Foreign Currency / New Taiwan Dollars)

NO. (Note1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note3)	Maximum Balance for the Period (Note4)	Ending Balance (Note5)	Amount Actually Drawn (Note6)	Amount of Endorsement/ Guarantee secured by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed (Note3)	Endorsement provided by parent company to subsidiaries (Note7)	Endorsement provided by subsidiaries to parent company (Note7)	Endorsement provided to entities in China (Note7)
		Name	Nature of Relationship(Note2)										
0	Global Tek Fabrication Co., Ltd.	Global Tek (Wuxi) Co., Ltd.	Subsidiary	\$989,458	\$134,985	\$-	\$-	\$-	-%	\$2,473,645	Y	N	Y
0	Global Tek Fabrication Co., Ltd.	GLOBAL TEK GROUP (THAI) CO., LTD.	Subsidiary	\$989,458	\$498,250	\$498,250	\$-	\$-	10.07%	\$2,473,645	Y	N	N
0	Global Tek (Wuxi) Co., Ltd.	Global Tek (Suzhou) Precision Industry Co., Ltd.	Subsidiary	\$398,443	\$269,970	\$269,970	\$269,970	\$-	5.46%	\$996,107	N	N	Y

Note 1: Global Tek Fabrication Co., Ltd. and subsidiaries are coded as follows:

1.Global Tek Fabrication Co., Ltd. is coded "0".

2.The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note2 : The relationship between the guarantor of the endorsement and the object to be guaranteed is as follows:

1.The company with business contacts.

2.The company directly and indirectly holds more than 50% of the shares with voting rights.

3.Companies that directly and indirectly holds more than 50% of the shares of the company with voting rights.

4.The company directly and indirectly holds more than 90% of the shares with voting rights.

5.Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry.

6.A company whose co-investment relationship is endorsed by all shareholders in proportion to their shareholding ratio.

7.The performance guarantee of the preconstruction real estate contract between the same industry in accordance with the Consumer Protection Law is jointly guaranteed.

Note 3: The company should fill in the endorsement guarantee limit for individual objects and the maximum endorsement guarantee limit set by the company in accordance with the endorsement guarantee operation procedures for others.

According to the company's "endorsement guarantee operation procedures", the company's external endorsement total amount of certificates shall not exceed 50% of the current net value. The amount of endorsement guarantee for a single enterprise shall not exceed 20% of the current net value.

Note 4: The maximum balance of endorsement guarantee for others in the current year.

Note 5: In the end of the year, when the company signs an endorsement guarantee contract with the bank or the amount of the bill is approved, it will assume the endorsement or guarantee responsibility; other related endorsement guarantees should be included in the endorsement guarantee balance.

Note 6: The actual expenditure amount of the endorsed guarantee company within the scope of the endorsement guarantee balance should be entered.

Note 7: Y must be filled in only for the endorsement of the parent company of the listed company to the subsidiary, the endorsement of the subsidiary to the parent company of the listed company, and the endorsement certificate of the mainland area.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Global Tek Fabrication Co., Ltd. and Subsidiaries
Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Joint Ventures)
As of December 31, 2025

Attachment 3

(In Thousands of Foreign Currency / New Taiwan Dollars)

Holding Company	Securities Type and Name	Relationship	Financial Statement Account	As of December 31, 2025				Note
				Shares/Units	Book Value	Percentage of ownership (%)	Fair value	
Global Tek Fabrication Co., Ltd.	<u>Stock</u> Techplasma Technology Co., Ltd.	-	Financial asset at fair value through other comprehensive income,noncurrent	1,266,690	<u>\$49,946</u>	3.81%	<u>\$49,946</u>	Unlisted (counter) company stocks
Global Tek GmbH	<u>Stock</u> Formtechnology GmbH	-	Financial asset at fair value through other comprehensive income,noncurrent	-	<u>\$-</u>	9.28%	<u>\$-</u>	Unlisted (counter) company stocks
Global Tek Co., Ltd.	Money market funds: Neuberger Investment Fund - NB High Yield Bond Securities Fund T Weekly Dividend Stocks (AUD)	-	Financial asset measured at fair value through profit or loss	4,749	<u>\$517</u>	-%	<u>\$517</u>	

Global Tek Fabrication Co., Ltd. and Subsidiaries
Investees over Which the Company Exercise Significant Influence or Control Directly or Indirectly (Excluding Investees in Mainland China)
As of December 31, 2025

Attachment 4

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor Company	Investee Company	Address	Main businesses and products	Original Investment Amount		Investments as of 31 December, 2025			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book Value			
Global Tek Fabrication Co., Ltd.	Global Tek Co., LTD. (Samoa)	Taiwan	Auto parts precision processing	\$200,000	\$200,000	20,000,000 shares	100.00%	\$254,680	\$10,873	\$10,873	Note
Global Tek Fabrication Co., Ltd.	Global Tek Fabrication Co., Ltd. (Samoa)	APIA, SAMOA	Investing activities	USD 25,795	USD 25,795	-	100.00%	\$2,531,172	\$185,389	\$183,199 (Note 1)	Note
Global Tek Fabrication Co., Ltd.	Global Tek GmbH	Bavaria, Germany	Auto Parts, industrial automatic control parts, Aerospace equipment parts sales	EUR 525	EUR 525	-	100.00%	\$3,968 EUR 108	\$977 EUR 28	\$977 EUR 28	Note
Global Tek Fabrication Co., Ltd.	AvioCast Inc.	Taiwan	Aerospace aluminum alloy manufacturing sales	\$192,028	\$192,028	15,961,000 shares	59.56%	\$174,642	\$33,562	\$17,282 (Note 2)	Note
Global Tek Fabrication Co., Ltd.	GLOBAL TEK 株式会社	Japan	Auto Parts, industrial automatic control parts, Aerospace equipment parts sales	JPY 27,000	JPY 27,000	2,700,000 shares	90.00%	\$1,276 JPY 6,356	\$4,832 JPY 23,174	\$4,349 JPY 20,857	Note
Global Tek Fabrication Co., Ltd.	GLOBAL TEK GROUP (THAI) CO., LTD.	Thailand	Auto parts precision processing	THB 500,000	THB 150,000	5,000,000 shares	100.00%	\$495,211 THB 496,951	\$(1,714) (THB 1,808)	\$(1,714) (THB 1,808)	Note
Global Tek Fabrication Co., Ltd.	GLOBAL TEK AVIATION (THAI) CO., LTD.	Thailand	Aerospac equipment parts processing	THB 60,000	THB 60,000	600,000 shares	100.00%	\$59,691 THB 59,900	\$(102) (THB 107)	\$(102) (THB 107)	Note
Global Tek Co., Ltd.	Global Tek Inc.	American Little	Auto Parts, industrial automatic control parts, Aerospace equipment parts sales	USD 20	USD 20	-	100.00%	\$3,754 USD 119	\$105 USD 3	\$105 USD 3	Note
Global Tek Fabrication Co., Ltd. Ltd. (Samoa)	Global Tek Co., LTD. (Samoa)	APIA, SAMOA	Investing activities	USD 13,150	USD 13,150	-	100.00%	\$1,609,859	\$147,802	\$147,802	Note
Global Tek Fabrication Co., Ltd. Ltd. (Samoa)	Global Tek Fabrication Co., Ltd. Ltd. (HK)	Hongkong	Investing activities	HKD 62,380	HKD 62,380	-	92.76%	\$943,043	\$61,286	\$56,849	Note
Global Tek LTD. (Samoa)	Global Tek Fabrication Co., Ltd. Ltd. (HK)	Hongkong	Investing activities	USD 660	USD 660	-	7.24%	\$73,605	\$61,286	\$4,437	Note

Note : Transactions are eliminated when preparing the consolidated financial statements.

Note1: Including investment gain recognized under equity method amounted to NT\$185,389 thousand, realized profit on transaction between subsidiaries amounted to NT\$22,711 thousand, unrealized profit on transaction between subsidiaries amounted to NT\$(25,266) thousand , realized profit on transaction between subsidiaries amounted to NT\$548 thousand, unrealized profit on transaction between subsidiaries amounted to NT\$(365) thousand, realized loss on transaction between subsidiaries amounted to NT\$(5,621) thousand and unrealized loss on transaction between subsidiaries amounted to NT\$5,803 thousand.

Note 2: Including investment gain recognized under equity method amounted to NT\$19,989 thousand and premium amortization of NT\$(2,707) thousand.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Related party transactions for purchases and sales amount exceeding the lower of NTS100 million or 20 percent of capital stock

For the Years Ended December 31, 2025

Attachment 5

(In Thousands of Foreign Currency / New Taiwan Dollars)

Purchase (sales) company	Counterparty	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivables (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales) (%)	Term	Unit Price	Term	Balance	Percentage of total receivables(%)	
Global Tek Fabrication Co., Ltd.	Global Tek (Xi'An) Co., Ltd.	Subsidiary	Purchases	\$238,272	29%	90 days after monthly dosing	No different with general trading conditions	No different with general trading conditions	Account payables \$(98,550)	30%	Note
Global Tek Co., Ltd.	Global Tek (Wuxi) Co., Ltd.	Associate	Purchases	\$646,694	70%	90 days after monthly dosing	No different with general trading conditions	No different with general trading conditions	Account payables \$(268,525)	73%	Note

Note : Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Receivable from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock

As of December 31, 2025

Attachment 6

(In Thousands of Foreign Currency / New Taiwan Dollars)

Company Holding Company	Counterparty	Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss Allowance
					Amount	Action Taken		
Global Tek (Wuxi) Co., Ltd.	Global Tek Co., Ltd.	Associate	<u>\$268,525</u> (Note1, Note2)	<u>2.98</u>	<u>\$-</u>	-	<u>\$34,241</u>	<u>\$-</u>

Note 1: Accounts receivables.

Note 2: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Global Tek Fabrication Co., Ltd. and Subsidiaries
Intercompany Relationships and Significant Intercompany Transactions
For the Year Ended December 31, 2025

Attachment 7

(In Thousands of Foreign Currency / New Taiwan Dollars)

NO. (Note 1)	Company Name	Counter-Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statement Account	Amount	Terms	Percentage to Consolidated Net Revenue or Total Assets (Note 3)
	<u>2025.01.01~2025.12.31</u>						
0	Global Tek Fabrication Co., Ltd.	Global Tek (Xi'An) Co., Ltd.	1	Other revenue	\$24,256	Note5	0.49%
0	Global Tek Fabrication Co., Ltd.	Global Tek (Xi'An) Co., Ltd.	1	Operating costs	238,373	No difference compared with general manufacturers	4.79%
0	Global Tek Fabrication Co., Ltd.	Global Tek (Xi'An) Co., Ltd.	1	Account payables	98,550	No difference compared with general manufacturers	0.93%
0	Global Tek Fabrication Co., Ltd.	Global Tek (Xi'An) Co., Ltd.	1	Other receivables	23,867	-	0.23%
0	Global Tek Fabrication Co., Ltd.	Global Tek Co., Ltd.	1	Other revenue	12,000	-	0.24%
0	Global Tek Fabrication Co., Ltd.	Global Tek Co., Ltd.	1	Other receivables	5,313	-	0.05%
0	Global Tek Fabrication Co., Ltd.	GLOBAL TEK 株式会社	1	Sales revenue	7,623	No difference compared with general client	0.15%
0	Global Tek Fabrication Co., Ltd.	GLOBAL TEK 株式会社	1	Operating expenses-service fees	16,151	-	0.32%
0	Global Tek Fabrication Co., Ltd.	GLOBAL TEK 株式会社	1	Other payables	3,054	-	0.03%
1	Global Tek (Xi'An) Co., Ltd.	Global Tek Metal Manufacturing (Shaanxi) Co., Ltd.	3	Sales revenue	143,641	No difference compared with general client	2.89%
1	Global Tek (Xi'An) Co., Ltd.	Global Tek Metal Manufacturing (Shaanxi) Co., Ltd.	3	Accounts receivables	37,927	No difference compared with general client	0.36%
1	Global Tek (Xi'An) Co., Ltd.	Global Tek Metal Manufacturing (Shaanxi) Co., Ltd.	3	Account payables	10,354	No difference compared with general client	0.10%
1	Global Tek (Xi'An) Co., Ltd.	Global Tek Metal Manufacturing (Shaanxi) Co., Ltd.	3	Operating costs	31,109	No difference compared with general client	0.63%
2	Global Tek Co., Ltd.	Global Tek (Wuxi) Co., Ltd.	3	Other receivables	7,488	-	0.07%
2	Global Tek Co., Ltd.	Global Tek (Wuxi) Co., Ltd.	3	Account payables	268,525	No difference compared with general manufacturers	2.54%
2	Global Tek Co., Ltd.	Global Tek (Wuxi) Co., Ltd.	3	Operating costs	646,694	No difference compared with general manufacturers	13.00%
2	Global Tek Co., Ltd.	Global Tek (Wuxi) Co., Ltd.	3	Other revenue	25,072	Note6	0.50%

Note 1: Transaction information between Parent company and its subsidiaries should be disclosed by codes below:

(1) Parent company is coded "0".

(2) The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: Relationship are divided into the following three types and the types are required to be indicated:

(1) From the parent company to a subsidiary.

(2) From a subsidiary to the parent company.

(3) Between subsidiaries.

Note 3: Regarding the percentage of transaction amount to consolidated operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items; and based on interim accumulated amount to consolidated net revenue for income statement items.

Note 4: The foreign currency amount is converted into NT dollars based on the exchange rate on the balance sheet date.

Note 5: Global Tek Fabrication Co., Ltd. purchases some production consumables on behalf of the mainland subsidiary.

Note 6: Global Tek Co., Ltd. purchases some production consumables on behalf of the mainland subsidiary.