Stock Code:1515

REXON INDUSTRIAL CORP., LTD. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2026 and 2025

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Rexon Industrial Corp., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Rexon Industrial Corp., Ltd. and its subsidiaries as of September 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2026 and 2025, as well as the changes in equity and cash flows for the nine months ended September 30, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to $257,262 thousand and $803,175 thousand, both constituting for 3% and 10% of consolidated total assets as of September 30, 2026 and 2025, total liabilities amounting to $122,638 thousand and $79,211 thousand, both constituting for 3% and 2% of consolidated total liabilities as of September 30, 2026 and 2025, respectively, and total comprehensive income (loss) amounting to $(12,503) thousand, $(31,935) thousand, $(58,352) thousand and $(102,352) thousand, constituting (16)%, (34)%, (46)% and 284% of consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2026 and 2025, respectively.

Furthermore, as stated in Note 6(e), the other equity accounted investments of Rexon Industrial Corp., Ltd. and its subsidiaries in its investee companies of $254,774 thousand and $104,616 thousand as of September 30, 2026 and 2025, respectively, and its equity in net earnings on these investee companies of $(12,498) thousand, $(7,309) thousand, $(34,214) thousand and $(7,966) thousand for the three months and nine months ended September 30, 2026 and 2025, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Rexon Industrial Corp., Ltd. and its subsidiaries as of September 30, 2026 and 2025, and of its consolidated financial performance for the three months and nine months ended September 30, 2026 and 2025, as well as its consolidated cash flows for the nine months ended September 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chen, Cheng-Hsueh and Chang, Tzu-Hsin.

KPMG

Taipei, Taiwan (Republic of China)
November 4, 2026

Notes to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

REXON INDUSTRIAL CORP., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2026, December 31, 2025, and September 30, 2025

(Expressed in thousands of New Taiwan Dollar)

		September 30, 2026		December 31, 2025		September 30, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 1,785,687	20	2,019,518	24	1,813,947	23
1110	Current financial assets at fair value through profit or loss	96	-	96	-	96	-
1150	Notes receivable, net(note (b))	446	-	506	-	770	-
1160	Notes receivable due from related parties, net (notes 6(b)and 7)	9,829	-	13,595	-	17,012	-
1170	Accounts receivable, net (note 6(b))	1,269,337	15	1,296,080	16	1,151,024	14
1180	Accounts receivable due from related parties, net (notes 6(b)and 7)	94,113	1	8,369	-	3,566	-
1200	Other receivables, net(note (c))	1,429	-	794	-	931	-
1210	Other receivables due from related parties, net (notes 6(c)and 7)	9,730	-	97,550	1	84,997	1
1220	Current tax assets	13,298	-	2,826	-	5,887	-
130X	Inventories(note (d))	847,360	10	534,385	7	676,661	8
1476	Other current financial assets	610	-	600	-	-	-
1479	Other current assets(notes (i)and 7)	126,280	1	96,956	1	119,715	2
		4,158,215	47	4,071,275	49	3,874,606	48
	Non-current assets:						
1550	Investments accounted for using equity method, net (note 6(e))	254,774	3	95,011	1	104,616	1
1600	Property, plant and equipment (notes 6(f), 7 and 8)	3,464,724	39	3,143,340	40	3,099,826	38
1755	Right-of-use assets (note 6(g))	431,430	5	426,795	5	412,555	5
1780	Intangible assets (note 6(h))	71,530	1	70,626	-	61,425	1
1840	Deferred tax assets	135,444	1	97,071	1	131,856	2
1920	Guarantee deposits paid	1,008	-	1,168	-	1,108	-
1975	Net defined benefit asset, non-current	275,683	3	275,683	3	275,281	4
1990	Other non-current assets (note 6(i))	57,680	1	91,889	1	102,533	1
		4,692,273	53	4,201,583	51	4,189,200	52
	Total assets	**$ 8,850,488**	**100**	**8,272,858**	**100**	**8,063,806**	**100**

		September 30, 2026		December 31, 2025		September 30, 2025	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (notes 6(j) and 8)	$ 631,074	7	486,336	6	496,144	6
2130	Current contract liabilities (note 6(t))	58,908	1	77,400	-	73,767	1
2150	Notes payable	222,981	3	316,470	4	247,688	3
2160	Notes payable to related parties (note 7)	272	-	200	-	381	-
2170	Accounts payable	1,224,365	14	1,206,219	15	1,212,197	15
2180	Accounts payable to related parties(note 7)	182,088	2	-	-	-	-
2200	Other payables (note 6(m))	728,035	8	865,480	11	782,019	10
2220	Other payables to related parties (note 7)	145	-	121	-	21	-
2230	Current tax liabilities	-	-	19,524	-	516	-
2365	Current refund liabilities (note 6(o))	117,791	1	218,795	3	221,929	3
2280	Current lease liabilities (note 6(n))	6,612	-	8,155	-	7,190	-
2320	Long-term borrowing, current portion (notes 6(l) and 8)	339,930	4	207,262	3	219,762	3
2399	Other current liabilities, others (note 6(k))	300,631	3	272,512	3	437,816	5
		3,812,832	43	3,678,474	45	3,699,430	46
	Non-Current liabilities:						
2540	Long-term borrowings (notes 6(l) and 8)	1,021,214	12	590,549	7	592,440	7
2570	Deferred tax liabilities	31	-	31	-	219	-
2580	Non-current lease liabilities (note 6(n))	11,433	-	15,820	-	15,661	-
		1,032,678	12	606,400	7	608,320	7
	Total liabilities	4,845,510	55	4,284,874	52	4,307,750	53
	Equity attributable to owners of parent: (note 6(r))						
3100	Ordinary shares	1,814,735	21	1,814,735	22	1,814,735	23
3200	Capital surplus	586	-	586	-	586	-
3300	Retained earnings	2,245,328	25	2,268,811	27	2,079,904	26
3400	Other equity	(81,206)	(1)	(122,146)	(1)	(164,162)	(2)
	Total equity attributable to owners of parent	3,979,443	45	3,961,986	48	3,731,063	47
36XX	**Non-controlling interests**	25,535	-	25,998	-	24,993	-
	Total equity	4,004,978	45	3,987,984	48	3,756,056	47
	Total liabilities and equity	**$ 8,850,488**	**100**	**8,272,858**	**100**	**8,063,806**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

REXON INDUSTRIAL CORP., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2026 and 2025

(Expressed in thousands of New Taiwan Dollar , except earnings per share)

		For the three months ended September 30				For the nine months ended September 30			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (notes 6(t) and 7)	$ 1,482,551	100	1,410,994	100	3,705,094	100	3,618,159	100
5000	Operating costs (notes 6(d)、(p) and 7)	1,296,475	87	1,255,435	89	3,211,417	87	3,166,382	87
	Gross profit from operations	186,076	13	155,559	11	493,677	13	451,777	13
6000	**Operating expenses** (notes 6(p) and (u)) **:**								
6100	Selling expenses	60,795	4	40,983	3	158,824	4	174,949	5
6200	Administrative expenses	87,103	6	80,336	6	220,625	6	189,259	5
6300	Research and development expenses	48,923	3	44,606	3	152,894	4	122,652	3
		196,821	13	165,925	12	532,343	14	486,860	13
	Net operating loss	(10,745)	-	(10,366)	(1)	(38,666)	(1)	(35,083)	-
7000	**Non-operating income and expenses** (note 6(v))**:**								
7100	Interest income	4,504	-	6,381	-	16,523	-	31,787	-
7010	Other income	112,251	7	34,530	2	173,625	5	84,573	2
7020	Other gains and losses, net (note 7)	6,319	-	55,538	4	28,859	1	(82,378)	(2)
7050	Finance costs, net (note 6(n))	(15,891)	(1)	(7,358)	-	(31,326)	(1)	(17,295)	-
7060	Share of profit of associates accounted for using equity method (note 6(e))	(12,498)	(1)	(7,309)	-	(34,214)	(1)	(7,966)	-
		94,685	5	81,782	6	153,467	4	8,721	-
7900	**Profit (loss) before income tax**	83,940	5	71,416	5	114,801	3	(26,362)	-
7950	**Income tax expense (benefit)** (note 6(q))	19,396	1	14,492	1	30,364	1	(7,847)	-
8200	**Profit (loss)**	64,544	4	56,924	4	84,437	2	(18,515)	-
8300	**Other comprehensive income (loss):**								
8310	**Items that may not be reclassified subsequently to profit or loss**								
8311	Gains on remeasurements of defined benefit plans	-	-	-	-	-	-	27,883	-
8360	**Items that may be reclassified subsequently to profit or loss:**								
8361	Exchange differences on translation (note 6(r))	17,882	1	67,157	5	51,676	1	(36,475)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(q))	3,493	-	31,223	2	10,235	-	8,929	-
8300	**Other comprehensive income (after tax)**	14,389	1	35,934	3	41,441	1	(17,521)	(1)
8500	**Comprehensive income**	**$ 78,933**	**5**	**92,858**	**7**	**125,878**	**3**	**(36,036)**	**(1)**
	Profit attributable to:								
8610	Owners of parent	$ 63,868	4	57,968	4	85,401	2	(15,377)	
8620	Non-controlling interests	676	-	(1,044)	-	(964)	-	(3,138)	-
		$ 64,544	**4**	**56,924**	**4**	**84,437**	**2**	**(18,515)**	
	Comprehensive income attributable to:								
8710	Owners of parent	$ 77,837	5	93,685	7	126,341	3	(32,521)	(1)
8720	Non-controlling interests	1,096	-	(827)	-	(463)	-	(3,515)	-
		$ 78,933	**5**	**92,858**	**7**	**125,878**	**3**	**(36,036)**	**(1)**
	Earnings per share (NT dollars) (note 6(s))								
9750	**Basic earnings per share**	**$ 0.35**		**0.32**		**0.47**		**(0.08)**	
9850	**Diluted earnings per share**	**$ 0.35**		**0.32**		**0.47**		**(0.08)**	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

REXON INDUSTRIAL CORP., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2026 and 2025

(expressed in thousands of New Taiwan Dollar)

	Equity attributable to owners of parent									
	Share capital		Retained earnings				Other equity			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2025	$ 1,814,735	586	506,988	152,298	1,589,585	2,248,871	(119,135)	3,945,057	28,508	3,973,565
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	33,536	-	(33,536)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(181,473)	(181,473)	-	(181,473)	-	(181,473)
Reversal of special reverse	-	-	-	(33,163)	33,163	-	-	-	-	-
	-	-	33,536	(33,163)	(181,846)	(181,473)	-	(181,473)	-	(181,473)
loss for the period	-	-	-	-	(15,377)	(15,377)	-	(15,377)	(3,138)	(18,515)
Other comprehensive income for the period	-	-	-	-	27,883	27,883	(45,027)	(17,144)	(377)	(17,521)
Comprehensive income	-	-	-	-	12,506	12,506	(45,027)	(32,521)	(3,515)	(36,036)
Balance on September 30, 2025	**$ 1,814,735**	**586**	**540,524**	**119,135**	**1,420,245**	**2,079,904**	**(164,162)**	**3,731,063**	**24,993**	**3,756,056**
Balance on January 1,2026	$ 1,814,735	586	540,524	119,135	1,609,152	2,268,811	(122,146)	3,961,986	25,998	3,987,984
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	20,141	-	(20,141)	-	-	-	-	-
Special reserve appropriated	-	-	-	3,011	(3,011)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(108,884)	(108,884)	-	(108,884)	-	(108,884)
	-	-	20,141	3,011	(132,036)	(108,884)	-	(108,884)	-	(108,884)
Profit for the period	-	-	-	-	85,401	85,401	-	85,401	(964)	84,437
Other comprehensive income for the period	-	-	-	-	-	-	40,940	40,940	501	41,441
Comprehensive income	-	-	-	-	85,401	85,401	40,940	126,341	(463)	125,878
Balance on September 30, 2026	**$ 1,814,735**	**586**	**560,665**	**122,146**	**1,562,517**	**2,245,328**	**(81,206)**	**3,979,443**	**25,535**	**4,004,978**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

REXON INDUSTRIAL CORP., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2026 and 2025

(Expressed in thousands of New Taiwan Dollar)

	For the nine months ended September 30	
	2026	**2025**
Cash flows (used in) from operating activities:		
Profit (loss) before tax	$ 114,801	(26,362)
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	175,740	206,876
Amortization expenses	16,497	13,698
Interest expenses	31,326	17,295
Interest income	(16,523)	(31,787)
Shares of loss of associates accounted for using equity method	34,214	7,966
Losses (profit) on disposal of property, plant and equipment	1,234	(21,000)
Reversal of loss impairment of property, plant and equipment	(11,426)	-
Total adjustments to reconcile profit	231,062	193,048
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in notes receivable	60	1,134
Decrease (increase) in notes receivable due from related parties	3,766	(7,046)
Decrease (increase) in accounts receivable	26,743	(501,031)
(Increase) decrease in accounts receivable due from related parties	(85,744)	1,673
(Increase) decrease in other receivables	(841)	2,223
Decrease (increase) in other receivable due from related parties	87,820	(84,997)
Increase in inventories	(312,975)	(192,045)
Increase in other current assets	(29,324)	(50,710)
Increase in net defined benefit assets	-	(6,618)
(Increase) decrease in other operating assets	(7,493)	773
Total changes in operating assets	(317,988)	(836,644)
Changes in operating liabilities:		
(Decrease) increase in contract liabilities	(18,492)	24,094
(Decrease) increase in notes payable	(93,489)	103,702
Increase in notes payable to related parties	72	211
Increase in accounts payable	18,146	492,765
Increase in accounts payable to related parties	182,088	-
Decrease in other payable	(150,453)	(67,997)
(Decrease) increase in other payable to related parties	24	(3)
Decrease in other current liabilities	(72,885)	(76,227)
Total changes in operating liabilities	(134,989)	476,545
Total changes in operating assets and liabilities	(452,977)	(360,099)
Total adjustments	(221,915)	(167,051)
Cash (outflow) inflow generated from operations	(107,114)	(193,413)
Interest received	17,129	31,561
Interest paid	(30,883)	(17,040)
Income taxes paid	(108,968)	(35,570)
Net cash (used in) flows from operating activities	(229,836)	(214,462)
Cash used in investing activities:		
Acquisition of investments accounted for using equity method	(205,270)	(99,000)
Acquisition of property, plant and equipment	(422,697)	(112,859)
Proceeds from disposal of property, plant and equipment	15,649	70,007
Decrease in refundable deposits	160	590
Increase in other current financial assets	(10)	-
Acquisition of intangible assets	(17,366)	(10,692)
Acquisition of right-of-use assets	-	(346,266)
Increase in prepayments for construction	-	(48,417)
Decrease (increase) in prepayments for business facilities	17,101	(45,108)
Dividends received	-	320
Net cash used in investing activities	(612,433)	(591,425)
Cash flows from financing activities:		
Increase in short-term borrowings	243,707	1,111,769
Decrease in short-term borrowings	(109,780)	(1,143,272)
Increase from long-term borrowings	740,000	725,000
Repayments of long-term borrowings	(179,241)	(229,575)
Payment of lease liabilities	(6,249)	(6,349)
Cash dividends paid	(108,884)	(181,473)
Net cash flows from financing activities	579,553	276,100
Effect of exchange rate changes on cash and cash equivalents	28,885	(28,385)
Net decrease in cash and cash equivalents	(233,831)	(558,172)
Cash and cash equivalents at beginning of period	2,019,518	2,372,119
Cash and cash equivalents at end of period	**$ 1,785,687**	**1,813,947**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

REXON INDUSTRIAL CORP., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2026 and 2025

(expressed in thousands of New Taiwan Dollar unless otherwise specified)

(1) Company history

Rexon Industrial Corp., Ltd. (the "Company") was incorporated on April 30, 1973 and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is No.261, Renhua Rd., Dali Dist., Taichung City 412, and Taiwan (R.O.C.). The Company's common shares were listed on the Taiwan Stock Exchange (TWSE) on February 4, 1995. The company's and its subsidiaries (together referred to as the "Group") is in the business of manufacturing and selling drills, woodworking tools and fitness equipment.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements for the nine months ended September 30, 2026 and 2025 were authorized for issuance by the board of directors on November 4, 2026.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2026:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7 " Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2027, would not have a significant impact on its consolidated financial statements:

- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and amendments to IFRS 19
- Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"

The Group expects to adopt the following new and amended standards, which are effective for annual period beginning on January 1, 2028:

(i) IFRS 18 "Presentation and Disclosure in Financial Statements"

The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.

- A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities.

- Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

- Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

The new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Group is evaluating the impact on its consolidated financial statements upon the initial adoption of the new standard.

(ii) Amendments to IAS 28 " The Fair Value Option for Investments in Associates and Joint Ventures"

The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

(c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 20 "Regulatory Assets and Regulatory Liabilities"

REXON INDUSTRIAL CORP., LTD. AND SUBSIDIARIES
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(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

			Shareholding			
Name of investor	Name of subsidiary	Principal activity	September 30, 2026	December 31, 2025	September 30, 2025	Note
The Company	Power Tool Specialists Inc. (P.T.S.)	Merchandise trading	96 %	96 %	96 %	Note 1
The Company	Gold Item Group Ltd.(Gold Item)	Investing and holding	100 %	100 %	100 %	
The Company	Rexon Technology Corp., Ltd. (Rexon Tech)	Manufacture and sale of electric components	82.87 %	82.87 %	82.87 %	Note 1
The Company	Rexon Industrial Company Ltd.(Vietnam) (Rexon Vietnam)	Manufacture and sale of fitness equipment.	100 %	100 %	100 %	Note 2
Gold Item	Gold Tech Group Ltd. (Gold Tech)	Investing and holding	100 %	100 %	100 %	
Gold Tech Group Ltd.	Tongxiang Rexon Industrial Co.,Ltd.(Tongxiang Rexon)	Manufacture and sale of various electrical equipment, woodworking machinery and related parts and components.	100 %	100 %	100 %	

Note 1:Which is non-significant subsidiaries, its financial statements have not been reviewed.

Note 2:As of September 30, 2025, which is non-significant subsidiary, its financial statements have not been reviewed.

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(Continued)

(d) **Income taxes**

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34 "Interim Financial Reporting" .

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate.

Income tax expenses recognized directly in equity or in other comprehensive income are measured based on the temporary differences between the carrying amounts of the related assets and liabilities for financial reporting purposes and their tax bases, using the tax rates expected to apply when the assets are recovered or the liabilities are settled.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 " Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the following, the preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2025. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2025.

(6) Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2025 consolidated financial statements. Please refer to Note 6 of the 2025 annual consolidated financial statements.

(a) **Cash and cash equivalents**

		September 30, 2026	December 31, 2025	September 30, 2025
Petty cash and cash on hand	$	1,795	1,628	1,552
Checking and demand deposits		1,765,137	1,474,151	1,282,925
Time deposits		18,755	543,739	529,470
Cash and cash equivalents in the consolidated statement of cash flows	**$**	**1,785,687**	**2,019,518**	**1,813,947**

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(b) **Notes and accounts receivable (include related party)**

		September 30, 2026	December 31, 2025	September 30, 2025
Notes receivable from operating activities	$	446	506	770
Notes receivable from operating activities-related parties		9,829	13,595	17,012
Less: Loss allowance		-	-	-
	$	**10,275**	**14,101**	**17,782**
Accounts receivable-measured at amortized cost	$	1,270,940	1,297,683	1,152,627
Accounts receivable from related parties-measured at amortized cost		94,113	8,369	3,566
Less: Loss allowance		(1,603)	(1,603)	(1,603)
	$	**1,363,450**	**1,304,449**	**1,154,590**

(i) The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions were determined as follows:

		September 30, 2026		
		Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$	1,076,525	-	-
1 to 90 days past due		294,814	-	-
91 to 180 days past due		3,203	25.52%	817
181 to 360 days past due		611	100%	611
Over 360 days past due		175	100%	175
	$	**1,375,328**		**1,603**

		December 31, 2025		
		Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$	1,130,759	-	-
1 to 90 days past due		187,121	0.64%	1,200
91 to 180 days past due		1,882	0.62%	12
181 to 360 days past due		80	100%	80
Over 360 days past due		311	100%	311
	$	**1,320,153**		**1,603**

(Continued)

REXON INDUSTRIAL CORP., LTD. AND SUBSIDIARIES
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	September 30, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 888,256	-	-
1 to 90 days past due	285,170	0.37%	1,054
91 to 180 days past due	86	100%	86
181 to 360 days past due	139	100%	139
Over 360 days past due	324	100	324
	$ 1,173,975		**1,603**

(ii) The movement in the allowance for notes and accounts receivables were as follows:

	2026	2025
Balance at January 1 (which is balance at September 30)	**$ 1,603**	**1,603**

(iii) None of the receivables was pledged as collateral as of September 30, 2026, December 31 and September 30, 2025.

(c) **Other receivables (include related party)**

	September 30, 2026	December 31, 2025	September 30, 2025
Other receivables	$ 12,676	12,041	12,178
Other receivables from related parties	9,730	97,550	84,997
Less: Loss allowance	(11,247)	(11,247)	(11,247)
	$ 11,159	**98,344**	**85,928**

(i) For the nine month ended September 30, 2026 and the year ended December 31,2025, the consolidated company recognized other receivables arising from the sale of equipment and miscellaneous operating supplies to related parties. Please refer to Note 7 .

(ii) The movement in the allowance for other receivables was as follows:

	2026	2025
Balance on January 1 (which is balance at September 30)	**$ 11,247**	**11,247**

(Continued)

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(d) **Inventories**

		September 30, 2026	December 31, 2025	September 30, 2025
Finished goods	$	258,065	226,541	268,221
Work in progress		196,945	63,161	136,823
Materials		59,485	47,807	76,029
Parts		331,842	193,594	191,556
Merchandise		1,023	3,282	4,032
	$	**847,360**	**534,385**	**676,661**

Details of inventory related loss (profit) were as follows:

		For the three months ended September 30		For the nine months ended September 30,	
		2026	2025	2026	2025
Reversal of inventories write-down	$	-	-	(25,866)	-
Inventory scrap loss		297	133	3,850	597
Revenue from sale of scraps		(820)	(1,449)	(3,426)	(2,434)
Inventory shortage		-	1	3	1
	$	**(523)**	**(1,315)**	**(25,439)**	**(1,836)**

As of September 30, 2026, December 31 and September 30, 2025 inventories were not pledged as collateral.

(e) **Investments accounted for using equity method**

A summary of the Group's financial information for investments accounted for using equity method at the reporting date is as follows:

	September 30, 2026	December 31, 2025	September 30, 2025
Associates	**$ 254,774**	**95,011**	**104,616**

(Continued)

REXON INDUSTRIAL CORP., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Associates

Affiliated company's information:

Name of Associates	Nature of relationship with the Group	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights		
			September 30, 2026	December 31, 2025	September 30, 2025
Fine Clear Corp., Ltd.	Sale of pneumatic nail gun and accessories, which is the Group's investment	Taiwan	16 %	16 %	16 %
Allwin Electromechanical Technology (Thailand) Co., Ltd.	The main business is developing, selling, and manufacturing power tools,which is the Group's investment	Thailand	41.54 %	21.76 %	21.76 %

The Group' s board of directors resolved to invest in Allwin Electromechanical Technology (Thailand) Co., Ltd. on November 6, 2024, with an amount of USD 3,000 thousand. The registration of the change in investment was completed in April 2025.

The Group's board of directors resolved to increase its investment in Allwin Electromechanical Technology (Thailand) Co., Ltd. to USD 6,500 thousand on February 26, 2026. The registration of the change in investment was completed in April 2026.

The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	September 30, 2026	December 31, 2025	September 30, 2025
Carrying amount of individually insignificant associates' equity	**$ 254,774**	**95,011**	**104,616**

	For the three months ended September 30		For the nine months ended September 30,	
	2026	2025	2026	2025
Attributable to the Group:				
Loss from continuing operations	$ (12,498)	(7,309)	(34,214)	(7,966)
Other comprehensive income (loss)	(4,135)	3,904	(8,868)	(2,401)
Comprehensive income	**$ (16,633)**	**(3,405)**	**(43,082)**	**(10,367)**

(Continued)

(ii) Investments pledge

As of September 30, 2026, December 31 and September 30, 2025 the Group did not provide any investments accounted for using the equity method as collateral for its loans.

(iii) The unreviewed financial statements of investment accounted for using equity method.

Investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(f) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Group were as follows:

	Land	Buildings	Machinery and equipment	Mold and tooling equipment	Office equipment and other facilities	Construction in Progress	Total
Cost or deemed cost:							
Balance on January 1, 2026	$ 1,244,035	2,905,576	843,534	819,984	156,796	107,536	6,077,461
Additions	-	4,700	180,613	19,813	8,274	216,788	430,188
Disposal	-	-	(18,959)	(18,240)	(3,258)	-	(40,457)
Reclassification	-	-	15,530	9,071	-	-	24,601
Effect of movements in exchange rates	66	42,026	8,801	6,894	1,097	7,525	66,409
Balance on September 30, 2026	**$ 1,244,101**	**2,952,302**	**1,029,519**	**837,522**	**162,909**	**331,849**	**6,558,202**
Balance on January 1, 2025	$ 1,178,587	2,905,953	894,535	823,546	155,844	-	5,958,465
Additions	65,664	15,492	25,920	14,572	4,165	-	125,813
Disposal	-	-	(78,291)	(16,758)	(2,902)	-	(97,951)
Reclassification	-	277	27,504	3,516	-	-	31,297
Effect of movements in exchange rates	(372)	(47,366)	(8,597)	(7,410)	(1,621)	-	(65,366)
Balance on September 30, 2025	**$ 1,243,879**	**2,874,356**	**861,071**	**817,466**	**155,486**	**-**	**5,952,258**
Depreciation :							
Balance on January 1, 2026	$ -	1,331,323	688,166	783,080	131,552	-	2,934,121
Depreciation	-	77,654	48,073	29,246	7,490	-	162,463
Disposal	-	-	(15,232)	(5,544)	(2,798)	-	(23,574)
Reversal of impairment loss	-	-	(623)	(10,803)	-	-	(11,426)
Effect of movements in exchange rates	-	18,603	5,701	6,664	926	-	31,894
Balance on September 30, 2026	**$ -**	**1,427,580**	**726,085**	**802,643**	**137,170**	**-**	**3,093,478**
Balance on January 1, 2025	$ -	1,227,116	644,112	739,850	125,082	-	2,736,160
Depreciation	-	82,765	69,069	38,469	7,321	-	197,624
Disposal	-	-	(31,014)	(15,323)	(2,607)	-	(48,944)
Effect of movements in exchange rates	-	(18,815)	(6,563)	(5,570)	(1,460)	-	(32,408)
Balance on September 30, 2025	**$ -**	**1,291,066**	**675,604**	**757,426**	**128,336**	**-**	**2,852,432**

(Continued)

	Land	Buildings	Machinery and equipment	Mold and tooling equipment	Office equipment and other facilities	Construction in Progress	Total
Carrying amounts：							
Balance on January 1, 2026	$ 1,244,035	1,574,253	155,368	36,904	25,244	107,536	3,143,340
Balance on September 30, 2026	$ 1,244,101	1,524,722	303,434	34,879	25,739	331,849	3,464,724
Balance on January 1, 2025	$ 1,178,587	1,678,837	250,423	83,696	30,762	-	3,222,305
Balance on September 30, 2025	$ 1,243,879	1,583,290	185,467	60,040	27,150	-	3,099,826

(i) In response to the need for expansion in the future, the Group bought the farmland near to its factory, costing $316,060 thousand, but the ownership of the land is temporarily not allowed to be transferred to the Group because the farmland is legally for agricultural purpose. Therefore, the farmland now is registered in the name of a shareholder who has the identity of natural person and has pledged to the Group for security concerns.

(ii) Gain or losses of disposal, and reversal of impairment loss please refer to Note 6(v).

(iii) For the nine months ended September 30, 2026, the consolidated company disposed of machinery and equipment to related parties. Please refer to Note 7.

(iv) As of September 30, 2026, December 31 and September 30, 2025, property, plant and equipment of the Group were pledged as collateral for bank loans and financing facilities; please refer to note 8.

(g) Right-of-use assets

The Group leases many assets including land and vehicles. Information about leases for which the Group as a lessee were presented below:

	Land	Vehicles	Total
Cost:			
Balance on January 1, 2026	$ 444,663	16,713	461,376
Additions	-	319	319
Reductions	-	(358)	(358)
Effect of movement in exchange rates	19,088	-	19,088
Balance on September 30, 2026	**$ 463,751**	**16,674**	**480,425**
Balance on January 1, 2025	$ 89,287	17,535	106,822
Additions	346,266	212	346,478
Reductions	-	(4,228)	(4,228)
Effect of movement in exchange rates	(6,744)	-	(6,744)
Balance on September 30, 2025	**$ 428,809**	**13,519**	**442,328**

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	Land	Vehicles	Total
Accumulated depreciation :			
Balance on January 1, 2026	$ 26,183	8,398	34,581
Depreciation	9,143	4,134	13,277
Reductions	-	(358)	(358)
Effect of movement in exchange rates	1,495	-	1,495
Balance on September 30, 2026	**$ 36,821**	**12,174**	**48,995**
Balance on January 1, 2025	$ 18,620	6,665	25,285
Depreciation	4,671	4,581	9,252
Reductions	-	(4,228)	(4,228)
Effect of movement in exchange rates	(536)	-	(536)
Balance on September 30, 2025	**$ 22,755**	**7,018**	**29,773**
Carrying amount:			
Balance on January 1, 2026	**$ 418,480**	**8,315**	**426,795**
Balance on September 30, 2026	**$ 426,930**	**4,500**	**431,430**
Balance on January 1, 2025	**$ 70,667**	**10,870**	**81,537**
Balance on September 30, 2025	**$ 406,054**	**6,501**	**412,555**

As of September 30, 2026, December 31 and September 30, 2025, the right-of-use assets of the Group were not pledged as collateral.

(h) **Intangible assets**

The costs, amortization and impairment loss of the intangible assets of the Group were as follows:

	Goodwill	Computer Software	Developed technology	Total
Costs:				
Balance at January 1, 2026	$ 43,293	209,181	4,000	256,474
Additions	-	17,366	-	17,366
Reductions	-	(20,347)	-	(20,347)
Effect of movement in exchange rates	-	550	-	550
Balance at September 30, 2026	**$ 43,293**	**206,750**	**4,000**	**254,043**
Balance at January 1, 2025	$ 43,293	193,655	-	236,948
Additions	-	10,692	-	10,692
Reductions	-	(9,408)	-	(9,408)
Reclassification	-	-	4,000	4,000
Effect of movement in exchange rates	-	(553)	-	(553)
Balance at September 30, 2025	**$ 43,293**	**194,386**	**4,000**	**241,679**

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REXON INDUSTRIAL CORP., LTD. AND SUBSIDIARIES
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	Goodwill	Computer Software	Developed technology	Total
Amortization:				
Balance at January 1, 2026	$ -	185,404	444	185,848
Amortization	-	16,163	334	16,497
Reductions	-	(20,347)	-	(20,347)
Effect of movement in exchange rates	-	515	-	515
Balance at September 30, 2026	**$ -**	**181,735**	**778**	**182,513**
Balance at January 1, 2025	$ -	176,472	-	176,472
Amortization	-	13,365	333	13,698
Reductions	-	(9,408)	-	(9,408)
Effect of movement in exchange rates	-	(508)	-	(508)
Balance at September 30, 2025	**$ -**	**179,921**	**333**	**180,254**
Carrying value:				
Balance at January 1, 2026	**$ 43,293**	**23,777**	**3,556**	**70,626**
Balance at September 30, 2026	**$ 43,293**	**25,015**	**3,222**	**71,530**
Balance at January 1, 2025	**$ 43,293**	**17,183**	**-**	**60,476**
Balance at September 30, 2025	**$ 43,293**	**14,465**	**3,667**	**61,425**

As of September 30, 2026, December 31 and September 30, 2025, the intangible assets of the Group were not pledged as collateral.

(i) **Other current assets and other non-current assets**

The details of other current assets and other non-current assets were as follows:

	September 30, 2026	December 31, 2025	September 30, 2025
Other current assets:			
Prepayments	$ 73,655	23,635	38,025
Business tax receivables	41,454	39,830	44,643
Others	11,171	33,491	37,047
	$ 126,280	**96,956**	**119,715**
Other non-current assets:			
Prepayments for construction	$ -	-	48,417
Prepayments for equipment	49,698	91,400	53,550
Others	7,982	489	566
	$ 57,680	**91,889**	**102,533**

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(j) **Short-term borrowings**

		September 30, 2026	December 31, 2025	September 30, 2025
Unsecured bank loans	$	423,000	103,000	303,300
Secured bank loans		208,074	383,336	192,844
	$	**631,074**	**486,336**	**496,144**
Unused short-term credit lines	**$**	**3,280,991**	**3,404,779**	**3,264,331**
Range of interest rate		**1.785%~4%**	**1.75%~4%**	**1.75%~4%**

(i) Additional short-term borrowings and repayments

For the nine months ended September 30, 2026 and 2025, the Group had the additional short-term borrowings amounting to $243,707 thousand and $1,111,769 thousand, with a range of interest rate 1.75%~4% and 1.785%~4%, maturing in a range from October, 2026 to September, 2027 and October, 2025 to May, 2026 respectively.

For the nine months ended September 30, 2026 and 2025, the Group had the repayments were $109,780 thousand and $1,143,272 thousand, respectively.

(ii) Collateral for short-term borrowings

For the collateral for short-term borrowings, please refer to note 8.

(k) **Other current liabilities**

The details of other current liabilities were summarized as follows:

		September 30, 2026	December 31, 2025	September 30, 2025
Temporary receipt- tooling	$	290,679	262,636	222,637
Temporary receipt		-	-	204,767
Advance receipts		3,162	3,566	3,566
Others		6,790	6,310	6,846
	$	**300,631**	**272,512**	**437,816**

The temporary receipt represent compensation from customers for canceled sales orders. As the Company has clarified the related performance obligations with the relevant suppliers in accordance with the customers' compensation agreements, an amount of NT$180,043 thousand was recognized as compensation income in 2025.

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(l) **Long-term borrowings**

The details of long-term borrowings were as follows:

		September 30, 2026	December 31, 2025	September 30, 2025
Secured bank loans	$	219,925	294,716	778,869
Unsecured bank loans		1,141,219	503,095	33,333
Less : current portion		(339,930)	(207,262)	(219,762)
	$	**1,021,214**	**590,549**	**592,440**
Unused long-term credit lines	**$**	**306,758**	**284,148**	**321,417**
Range of interest rate		**1.6%~4%**	**1.8%~4%**	**1.2%~4%**

(i) Additional long-term borrowings and repayments

For the nine months ended September 30, 2026 and 2025 the Group made additional long-term borrowings amounting to $740,000 thousand and $725,000 thousand each, with a range of interest rate 1.6%~1.96% and 1.95%~4%, maturing in range from April, 2029 to July, 2033 and September, 2026 to June , 2032.

For the nine months ended September 30, 2026 and 2025, the Group had the repayments were $179,241 thousand and $229,575 thousand, respectively.

(ii) Collateral for long-term borrowings

For the collateral for long-term borrowings, please refer to note 8.

(m) **Other payables**

		September 30, 2026	December 31, 2025	September 30, 2025
Advertising expenses	$	534,828	574,250	556,829
Year-end bonus, salary, and unused vacation bonus		109,785	122,225	102,220
Employee compensation and supervisor compensation		19,034	43,225	-
Others		64,388	125,780	122,970
	$	**728,035**	**865,480**	**782,019**

(n) **Lease liabilities**

		September 30, 2026	December 31, 2025	September 30, 2025
Current	**$**	**6,612**	**8,155**	**7,190**
Non-current	**$**	**11,433**	**15,820**	**15,661**

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For the maturity analysis, please refer to note 6(w).

The amounts recognized in profit or loss were as follows:

	For the nine months ended September 30	
	2026	2025
Interest expense on lease liabilities	$ 211	258

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the nine months ended September 30	
	2026	2025
Total cash outflow for leases	$ 6,460	6,607

The Group leased land and vehicles for periods ranging from two to ten years.

(o) **Current refund liabilities**

	September 30, 2026	December 31, 2025	September 30, 2025
Current refund liabilities	$ 117,791	218,795	221,929

Refund liabilities are the amount expected to be paid to the customer due to defective sales quality of machine tools and fitness equipment.

(p) **Employee benefits**

(i) Defined benefit plans

In prior fiscal year, there was no material volatility of the market, reimbursement and settlement or other material one-time events. As a result, pension cost in the accompanying interim financial statements is measured and disclosed as of December 31, 2025 and 2024.

The details of the Group's expenses were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2026	2025	2026	2025
Selling expenses	$ -	(107)	-	17,394
Administrative expenses	-	107	-	107
	$ -	-	-	17,501

(ii) Defined contribution plans

The Group's pension expenses under the pension plan cost to the Bureau of Labor Insurance were as follows:

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	For the three months ended September 30		For the nine months ended September 30	
	2026	2025	2026	2025
Operating costs	$ 3,273	3,307	9,767	9,454
Selling expenses	378	338	1,011	893
Administrative expenses	1,391	1,226	4,178	3,566
Research and development expenses	813	866	2,519	2,477
	$ 5,855	**5,737**	**17,475**	**16,390**

Except for the Company and Rexon Technology Corp., Ltd., other subsidiaries adopted the defined contribution method under their local law. For the three months and nine months ended September 30, 2026 and 2025, the pension costs were $1,997 thousand, $1,383 thousand, $5,641 thousand and $4,368 thousand.

(q) **Income taxes**

The details of the Group's income tax expenses (benefit) were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2026	2025	2026	2025
Current tax expense				
Current period	$ 19,529	-	25,701	-
Adjustment for prior periods	2,744	-	7,211	(3,203)
	22,273	-	32,912	(3,203)
Deferred tax expense				
Origination and reversal of temporary differences	(2,877)	14,492	(2,548)	(4,644)
Income tax expense (benefit)	**$ 19,396**	**14,492**	**30,364**	**(7,847)**

The amounts of income tax recognized directly in other comprehensive income for the nine months ended September 30, 2026 and 2025 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2026	2025	2026	2025
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	**$ (3,493)**	**(31,223)**	**(10,235)**	**(8,929)**

The income tax returns of the Company for the years through 2024 were assessed and approved by the tax authorities.

(Continued)

(r) **Capital and other equity**

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to September 30, 2026 and 2025. For the related information, please refer to note 6 (r) of the consolidated financial statements for the year ended December 31, 2025.

(i) Retained earnings

The Company's Article of Incorporation stipulate that Company's net earnings should first be used to paying any income taxes, if any, before offset the prior years' deficits. Of the remaining balance, 10% is to be appropriated as legal reserve, unless the legal reserve has reached the Company's paid-in capital. In addition, a special reserve shall be appropriated as necessary based on the Company's operational needs and applicable laws and regulations., and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

If all or part of the dividends and bonuses are to be distributed in cash, the Board of Directors is authorized to do so upon the attendance of at least two-thirds of the directors and the approval of a majority of the directors present, and such distribution shall be reported to the stockholders' meeting.

The Company shall first take into consideration its current and future development plan, investment environment, capital requirement, the domestic and global competition, as well as the long-term interests of stockholders in determining the stock or cash dividends to be paid. The dividends appropriated for distribution shall not be less than 20% of the current year's earnings that remain undistributed. The cash portion of the dividend, which may be in the form of cash and stock, shall not be less than 20% of the total dividend distributed during the year.

1) Special reserve

In accordance with the requirement of Financial Supervisory Commission, a portion of earnings shall be allocated as special earnings reserve during earnings distribution. The special earnings reserve was distributed from the current undistributed earnings, which was income after income tax plus other items, and undistributed earnings of prior period. A portion of undistributed prior-period earnings shall be reclassified as special earnings reserve and does not qualify for earnings distribution to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

2) Earnings distribution

The amount of cash dividends on appropriations of earnings for 2025 and 2024 had been approved by the board on February 26, 2026 and February 26, 2025, as follows:

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	2025		2024	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders				
Cash	$ 0.6	108,884	1.0	181,473

(ii) OCI accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2026	$ (122,146)
Exchange differences on foreign operations	40,940
Balance at September 30, 2026	**$ (81,206)**
Balance at January 1, 2025	$ (119,135)
Exchange differences on foreign operations	(45,027)
Balance at September 30, 2025	**$ (164,162)**

(s) **Earnings per share**

	For the three months ended September 30		For the nine months ended September 30	
	2026	2025	2026	2025
Basic earnings per share				
Net profit (loss) attributable to ordinary shareholders of the Company	$ 63,868	57,968	85,401	(15,377)
Weighted-average number of ordinary shares	181,473	181,473	181,473	181,473
	$ 0.35	0.32	0.47	(0.08)

	2026	2025	2026	2025
Diluted earnings per share				
Net profit (loss) attributable to ordinary shareholders of the Company	$ 63,868	57,968	85,401	(15,377)
Weighted-average number of ordinary shares	181,473	181,473	181,473	181,473
Effect of employee share bonus	440	-	868	-
Weighted average number of ordinary shares (diluted)	181,913	181,473	182,341	181,473
	$ 0.35	0.32	0.47	(0.08)

(Continued)

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(t) **Revenue from contracts with customers**

(i) Details of revenue

	For the three months ended September 30		For the nine months ended September 30	
	2026	**2025**	**2026**	**2025**
Primary geographical markets				
America	$ 1,256,631	1,283,596	3,041,535	3,234,370
Europe	162,198	72,159	362,996	242,498
Asia	63,152	55,239	297,981	141,291
Other	570	-	2,582	-
	$ 1,482,551	**1,410,994**	**3,705,094**	**3,618,159**
Major products				
Woodworking tools	$ 147,139	120,923	499,831	371,546
Fitness equipment	1,149,717	1,224,225	2,688,857	3,021,257
Other	185,695	65,846	516,406	225,356
	$ 1,482,551	**1,410,994**	**3,705,094**	**3,618,159**

(ii) Contract balances

	September 30, 2026	December 31, 2025	September 30, 2025
Contract liabilities	**$ 58,908**	**77,400**	**73,767**

For details on trade receivables and allowance for impairment, please refer to note 6(b).

The amount of revenue recognized for the three months and nine months ended September 30, 2026 and 2025, that were included in the contract liability balance at the beginning of the period were $10,468 thousand, $3,668 thousand, $55,787 thousand and $11,245 thousand, respectively.

(u) **Remunerations to employees and directors**

According to the Articles of Association, once the Company has annual profit, it should at least appropriate 5% of the profit to its employees and no less than 1% shall be allocated for salary adjustments or bonuses for grassroots employees. The amount allocated for grassroots employee bonuses may be included within the total employee compensation allocation. Additionally, 5% or less to its directors as remuneration. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The pervading target given via cash or shares includes those dependent employees of the Company's subsidiaries under certain requirements.

For the three months and nine months ended September 30, 2026 and 2025 the Company estimated its employee remuneration amounting to $13,120 thousand, $0 thousand, $17,531 thousand and $0 thousand, and directors' remuneration amounting to $1,125 thousand, $0 thousand, $1,503 and $0 thousand.The estimated amounts mentioned above are calculated based on the net profit before tax,

(Continued)

excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration of employees and recognized as operating expenses for the period. If there are any subsequent adjustments to the actual remuneration amounts , the adjustments will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the years ended December 31, 2025 and 2024, the remunerations to employees amounted to $36,825 thousand and $45,297 thousand and the remunerations to directors amounted all to $6,400 thousand, respectively. There were no differences between the estimated amounts and the actual remuneration paid, and the information is available on the Market Observation Post System website.

(v) **Non-operating income and expenses**

(i) Interest income

The details of interest income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2026	**2025**	**2026**	**2025**
Interest income－bank deposits	**$ 4,504**	**6,381**	**16,523**	**31,787**

(ii) Other income

The details of other income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2026	**2025**	**2026**	**2025**
Rent income	$ 1,397	1,397	4,203	4,203
Other	36,595	1,923	48,550	17,277
Compensation income	-	31,210	-	63,093
Gain on write-off of past-due other payables	74,259	-	120,872	-
	$ 112,251	**34,530**	**173,625**	**84,573**

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(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2026	**2025**	**2026**	**2025**
Net foreign exchange gains (loss)	$ 2,330	41,643	19,450	(102,879)
Net (losses) profit on disposal of property, plant and equipment	1,589	14,179	(1,234)	21,000
Reversal of impairment loss of property, plant and equipment	2,547	-	11,426	-
Other	(147)	(284)	(783)	(499)
	$ 6,319	**55,538**	**28,859**	**(82,378)**

(iv) Finance expenses

	For the three months ended September 30		For the nine months ended September 30	
	2026	**2025**	**2026**	**2025**
Interest expenses	**$ (15,891)**	**(7,358)**	**(31,326)**	**(17,295)**

(w) **Financial Instruments**

(i) Credit risk

Except for the contention mentioned below, there was no significant change in the fair value of the Group' s financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(w) of the consolidated financial statements for the year ended December 31, 2025.

1) Concentration of credit risk

As of September 30, 2026, December 31 and September 30, 2025, the Group reviewed the concentrations of credit risk arising from major customer at percentages below 42%, 67% and 71%, respectively, of the total trade receivables. The other top three clients contributed no more than 36%, 23% and 17%, respectively, of the total receivables.

2) Receivables

For credit risk exposure of notes and accounts receivable, please refer to note 6(b). Other financial assets at amortized cost includes other receivables. For the details and loss allowance, please refer to note 6(c).

(Continued)

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	1-12 months	1-2 years	2-5 years	more than 5 years
September 30, 2026						
Non-derivative financial liabilities						
Secured bank loans	$ 427,999	438,810	361,091	77,719	-	-
Unsecured loans	1,564,219	1,676,845	637,570	219,720	616,750	202,805
Leased liabilities (current and non-current)	18,045	18,415	6,787	4,223	7,405	-
Payables	2,357,886	2,357,886	2,357,886	-	-	-
	$ 4,368,149	**4,491,956**	**3,363,334**	**301,662**	**624,155**	**202,805**
December 31, 2025						
Non-derivative financial liabilities						
Secured bank loans	$ 678,052	697,189	493,234	151,310	52,645	-
Unsecured loans	606,095	661,419	220,594	95,884	344,941	-
Lease liabilities (current and non-current)	23,975	24,547	8,417	5,752	9,643	735
Payables	2,388,490	2,388,490	2,388,490	-	-	-
	$ 3,696,612	**3,771,645**	**3,110,735**	**252,946**	**407,229**	**735**
September 30, 2025						
Non-derivative financial liabilities						
Secured bank loans	$ 971,713	1,049,552	398,276	210,203	441,073	-
Unsecured loans	336,633	337,923	337,923	-	-	-
Lease liabilities (current and non-current)	22,851	23,411	7,465	5,580	8,896	1,470
Payables	2,242,306	2,242,306	2,242,306	-	-	-
	$ 3,573,503	**3,653,192**	**2,985,970**	**215,783**	**449,969**	**1,470**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Group' s significant exposure to foreign currency risk of financial assets and liabilities were as follows:

	September 30, 2026			December 31, 2025			September 30, 2025		
	Foreign Currency	Exchange Rates	NTD	Foreign Currency	Exchange Rates	NTD	Foreign Currency	Exchange Rates	NTD
Financial Assets									
Monetary items									
USD	$ 78,238	31.85	2,494,747	95,739	31.43	3,009,077	84,374	30.45	2,569,188
EUR	515	36.15	18,617	41	36.90	1,513	26	35.77	930
JPY	20,053	0.2030	4,071	17,695	0.2008	3,553	17,694	0.2058	3,641
GBP	5	42.26	211	5	42.33	212	5	40.97	205
Financial Liabilities									
Monetary items									
USD	7,518	31.85	239,448	5,380	31.43	169,093	11,229	30.45	341,923
EUR	229	36.15	8,278	223	36.90	8,229	223	35.77	7,977

(Continued)

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, borrowings, and accounts and other payables that are denominated in foreign currency. A strengthening (weakening) of 1% of the TWD against the USD, EUR, JPY, and GBP as of 2026 would have increased (decreased) the net profit after tax by $18,162 thousand. 2025 would have increased (decreased) the net loss after tax by $17,794 thousand. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for prior year.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the nine months ended September 30, 2026 and 2025, the foreign exchange (loss) gain (including realized and unrealized portions) amounted to $19,450 thousand and $(102,879) thousand, respectively.

2) Interest rate analysis

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date.

Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate which increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 1%, with all other variable factors remaining constant, the Group's net income would have decreased or increased by $15,938 thousand for the nine months ended September 30, 2026.The Group's net loss would have increased (decreased) by $10,467 thousand for the nine months ended September 30, 2025.

(iv) Fair value of financial instruments

1) Categories and fair value of financial instruments

The fair value of financial assets at fair value through profit or loss and financial assets measured at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

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	September 30, 2026				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Mandatorily measured at fair value through profit or loss	$ 96	-	-	96	96
Financial assets measured at amortized cost					
Cash and cash equivalents	1,785,687	-	-	-	-
Notes receivable, trade receivable, and other receivable (including related parties)	1,384,884	-	-	-	-
Guarantee deposits paid	1,008	-	-	-	-
	$ 3,171,675	**-**	**-**	**96**	**96**
Financial liabilities at amortized cost					
Short-term borrowings	$ 631,074	-	-	-	-
Notes payable, accounts payable, and other payable (including related parties)	2,357,886	-	-	-	-
Long-term borrowings, current portion	339,930	-	-	-	-
Long-term borrowings	1,021,214	-	-	-	-
Leases liabilities	18,045	-	-	-	-
	$ 4,368,149	**-**	**-**	**-**	**-**

	December 31, 2025				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Mandatorily measured at fair value through profit or loss	$ 96	-	-	96	96
Financial assets measured at amortized cost					
Cash and cash equivalents	2,019,518	-	-	-	-
Notes receivable, trade receivable, and other receivable (including related parties)	1,416,894	-	-	-	-
Guarantee deposits paid	1,168	-	-	-	-
	$ 3,437,676	**-**	**-**	**96**	**96**
Financial liabilities at amortized cost					
Short-term borrowings	$ 486,336	-	-	-	-
Notes payable, accounts payable, and other payable (including related parties)	2,388,490	-	-	-	-
Long-term borrowings, current portion	207,262	-	-	-	-
Long-term borrowings	590,549	-	-	-	-
Leases liabilities	23,975	-	-	-	-
	$ 3,696,612	**-**	**-**	**-**	**-**

(Continued)

	September 30, 2025				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Mandatorily measured at fair value through profit or loss	$ 96	-	-	96	96
Financial assets measured at amortized cost					
Cash and cash equivalents	1,813,947	-	-	-	-
Notes receivable, trade receivable, and other receivable (including related parties)	1,258,300	-	-	-	-
Guarantee deposits paid	1,108	-	-	-	-
	$ 3,073,451	**-**	**-**	**96**	**96**
Financial liabilities at amortized cost					
Short-term borrowings	$ 496,144	-	-	-	-
Notes payable, accounts payable, and other payable(including related parties)	2,242,306	-	-	-	-
Long-term borrowings, current portion	219,762	-	-	-	-
Loag-term borrowings	592,440	-	-	-	-
Lease liabilities	22,851	-	-	-	-
	$ 3,573,503	**-**	**-**	**-**	**-**

2) Valuation techniques for financial instruments not measured at fair value

The Group' s valuation techniques and assumption used for financial instruments not measured at fair value are as follows:

For financial liabilities measured at amortized cost, if there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

The fair value of financial instruments is quoted prices if quoted prices are from an active market. Published prices from the main exchange and central government bonds regarded as usually-traded securities are both basis of fair values of listed equity instruments and debt instruments with quoted prices from an active market.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm' s-length basis. Whether transactions are taking place ' regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

4) Transfer between Level 1 and Level 2

There were no transfers from one level to another in 2026 and 2025.

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement.

The Group's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss – equity investments".

Most of the Group's fair values are Level 3 "only with single significant unobservable inputs", and only equity instruments without active market have plural significant unobservable inputs. Since significant unobservable inputs of equity instruments without an active market are independent, they are not correlated.

(x) **Financial risk management**

There were no significant changes in the Group' s financial risk management and policies as those disclosed in Note 6(x) of the consolidated financial statements for the year ended December 31, 2025.

(y) **Capital management**

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2025. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2025. Please refer to note 6 (y) to the consolidated financial statements for the year ended December 31, 2025 for further details.

(z) **Investing and financing activities not affecting current cash flow**

The Group's investing and financing activities, which did not affect the current cash flow in the nine months ended September 30, 2026 and 2025, were as follows:

(i)For acquisition of right-of-use assets through lease, please refer to note 6(g).

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2026	Cash flows	Acquisition	Foreign exchange movement	September 30, 2026
Long-term borrowings (including due within 1 year)	$ 797,811	560,759	-	2,574	1,361,144
Short-term borrowings	486,336	133,927	-	10,811	631,074
Lease liabilities	23,975	(6,249)	319	-	18,045
Total liabilities from financing	**$ 1,308,122**	**688,437**	**319**	**13,385**	**2,010,263**

(Continued)

	January 1, 2025	Cash flows	Non-cash changes: Acquisition	Non-cash changes: Foreign exchange movement	September 30, 2025
Long-term borrowings (including due within 1 year)	$ 320,918	495,425	-	(4,141)	812,202
Short-term borrowings	536,845	(31,503)	-	(9,198)	496,144
Lease liabilities	28,988	(6,349)	212	-	22,851
Total liabilities from financing	**$ 886,751**	**457,573**	**212**	**(13,339)**	**1,331,197**

(7) Related-party transactions

(a) Names and relationship with the Group

The followings is the entities that have had transactions with the Group during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Fine Clear Co., Ltd	An associate
Allwin Electromechanical Technology (Thailand) Co., Ltd. (Allwin Thailand)	An associate

(b) Significant transactions with related parties

(i) Sales of goods to related parties

The amounts of significant sales by the Group to related parties were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2026	2025	2026	2025
Associates－Fine Clear Co., Ltd	$ 1,879	14,758	33,829	30,165
Associates-Allwin Thailand	-	-	113,352	-
	$ 1,879	**14,758**	**147,181**	**30,165**

The price charged to related party is incomparable to normal price because there were no similar items sold to both related and non-related parties. The credit term was 120 days to 150 days, while the credit term for routine sales transactions ranged from 60 days to 120 days . Amounts receivable from related parties were uncollateralized, and no expected credit loss were required after the assessment by the management.

(ii) Purchases

The amounts of significant purchases by the Group from related parties were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2026	2025	2026	2025
Associates-Allwin Thailand	**$ 51,261**	**-**	**164,014**	**-**

(Continued)

The purchase prices from related parties were not comparable to those from non-related parties because similar products were not purchased from both related and non-related parties. The payment term policy for non-related parties ranged from 90 days to 150 days, whereas the payment term policy for related parties was 120 days.

(iii) Receivables from related parties

Account	Related-party type		September 30, 2026	December 31, 2025	September 30, 2025
Notes receivable	Associates－Fine Clear Co., Ltd	**$**	**9,829**	**13,595**	**17,012**
Accounts receivable	Associates				
Accounts receivable	Fine Clear Co., Ltd	$	1,818	8,296	3,496
	Allwin Thailand		92,295	73	70
		$	**94,113**	**8,369**	**3,566**
Other receivable	Associates－Allwin Thailand	**$**	**9,730**	**97,550**	**84,997**

Other accounts receivable represent amounts due from related parties in respect of the disposal of equipment and miscellaneous operating supplies to related parties by the Group. In accordance with the Group's related party credit policy, consideration is collectible within 90 days subsequent to the acceptance of the relevant equipment

(iv) Payables to related parties

Account	Related-party type		September 30, 2026	December 31, 2025	September 30, 2025
Notes payable	Associates－Fine Clear Co., Ltd	**$**	**272**	**200**	**381**
Accounts payable	Associates－Allwin Thailand	**$**	**182,088**	**-**	**-**
Other payables	Associates－Fine Clear Co., Ltd	**$**	**145**	**121**	**21**

(v) Prepayments

Account	Related-party type		September 30, 2026	December 31, 2025	September 30, 2025
Payment on behalf of others	Associates－Allwin Thailand	**$**	**2,948**	**15,502**	**21,263**

Payments on behalf of others represent amounts paid by the consolidated entities to acquire equipment for related parties. The collection policy for related parties receivables is 90 days after equipment acceptance.

(vi) Property Transactions

1) The disposals of property, plant and equipment to related parties are summarized as follows:

	For the three months ended September 30			
	2026		2025	
	Disposal price	Gain (loss) on disposal	Disposal price	Gain (loss) on disposal
Associates－Allwin Thailand	$ 191	172	69,169	22,611

	For the nine months ended September 30			
	2026		2025	
	Disposal price	Gain (loss) on disposal	Disposal price	Gain (loss) on disposal
Associates－Allwin Thailand	$ 544	452	69,169	22,611

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended September 30		For the nine months ended September 30	
	2026	2025	2026	2025
Short-term employee benefits	$ 6,412	6,310	19,182	19,010
Post-employment benefits	285	279	854	836
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payments	-	-	-	-
	$ 6,697	6,589	20,036	19,846

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	September 30, 2026	December 31, 2025	September 30, 2025
Land	Guarantee for bank loans	$ 308,676	308,676	308,676
Buildings	Guarantee for bank loans	809,772	834,848	835,033
		$ 1,118,448	1,143,524	1,143,709

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(9) Significant commitments and contingencies:

(i) The Group's unrecognized contractual commitments were as follows:

	September 30, 2026	December 31, 2025	September 30, 2025
Acquisition of property, plant and equipment	$ 132,634	285,200	278,978

(10) Losses due to major disasters:None

(11) Subsequent events:None

(12) Other:

(a) A summary of employee benefits, depreciation, and amortization by function, is as follows:

	For the three months ended September 30					
By function	2026			2025		
By item	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	67,989	85,683	153,672	107,362	67,741	175,103
Labor and health insurance	9,660	6,729	16,389	9,847	6,357	16,204
Pension	4,537	3,315	7,852	4,443	2,677	7,120
Others	2,327	939	3,266	2,536	1,217	3,753
Depreciation	41,196	16,870	58,066	55,588	11,760	67,348
Amortization	837	4,980	5,817	517	3,766	4,283

	For the nine months ended September 30					
By function	2026			2025		
By item	Operating Cost	Operating expenses	Total	Operating Cost	Operating expenses	Total
Employee benefits						
Salary	175,557	219,688	395,245	270,918	181,790	452,708
Labor and health insurance	28,466	19,665	48,131	28,750	18,508	47,258
Pension	13,581	9,535	23,116	13,085	25,174	38,259
Others	6,226	2,726	8,952	6,001	2,612	8,613
Depreciation	135,573	40,167	175,740	174,322	32,554	206,876
Amortization	2,360	14,137	16,497	2,626	11,072	13,698

(b) Seasonality of operation

The Group's operations were not affected by seasonality or cyclical factor.

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REXON INDUSTRIAL CORP., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the nine months ended September 30, 2026:

(i) Loans to other parties:

(Amounts in Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	REXON INDUSTRIAL CORP., LTD	Rexon Vietnam	Other receivable	Yes	646,200	637,000	637,000	2.5 %	1	637,000	Business turnover	-		-	637,000 (Note 2)	1,591,777 (Note 1)

Note1:The total amount of loans and the aggregate outstanding balance of short-term financing provided by the Company shall not exceed forty percent (40%) of the Company's net worth.The term "loan amount" refers to the accumulated outstanding balance of shortterm financing granted by the Company.

Note2:The lending limit to any individual counterparty shall be as follows:

1.For companies or firms having business relationships with the Company, the lending amount to each counterparty shall not exceed the amount of business transactions between the parties.The "amount of business transactions" refers to the higher of the actual purchase or sales amount between the parties during the most recent one year or the estimated amount for the coming one year.

2.For companies or firms requiring shortterm financing, the lending amount to each counterparty shall not exceed ten percent (10%) of the Company's net worth.

(ii) Guarantees and endorsements for other parties:None

(Amounts in Thousands of New Taiwan Dollars)

(iii) Material securities held as of September 30, 2026 (excluding investment in subsidiaries, associates and joint ventures):None

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(Amounts in Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
REXON INDUSTRIAL CORP., LTD.	Tongxiang Rexon	The subsidiary	Purchase	375,587	12.8 %	90~150 Days	(Note1)	(Note2)	218,892	15.1 %	
REXON INDUSTRIAL CORP., LTD.	Allwin Thailand	Associates	Purchase	164,014	5.6 %	120Days	(Note1)	(Note2)	182,088	12.6 %	
REXON INDUSTRIAL CORP., LTD.	Allwin Thailand	Associates	Sales	113,352	3.1 %	120Days	(Note1)	(Note2)	92,295	6.7 %	

Note1：The price charged to related party is incomparable to normal price because there were no similar items purchased from both related and non-related parties.

Note2：The payment term for the related party is 90-150 days. Apart from according to the established payment policy, the related working capital, industry characteristics, and industrial prosperity are also considered.

Note3：The receivable term for the related party is 60-150 days. Apart from according to the established payment policy, the related working capital, industry characteristics, and industrial prosperity are also considered.

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REXON INDUSTRIAL CORP., LTD. AND SUBSIDIARIES
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(v) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(Amounts in Thousands of New Taiwan Dollars)

Name of company	Name of Counter-party	Name of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Tongxiang Rexon	REXON INDUSTRIAL CORP., LTD.	Parent company	Account receivable 218,892	2.31 %	-	-	The recovery amount as of November 4, 2026 : 51,639	-

(vi) Business relationships and significant intercompany transactions:

(Amounts in Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship (Note2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	REXON INDUSTRIAL CORP., LTD.	Tongxiang Rexon	1	Purchases	375,587	The prices were agreed upon by the two parties to the transaction.	10.14 %
0	REXON INDUSTRIAL CORP., LTD.	Tongxiang Rexon	1	Account payable	218,892	The payment terms were agreed upon by the two parties to the transaction.	2.47 %
0	REXON INDUSTRIAL CORP., LTD.	P.T.S	1	Other payable	127,881	The payment were agreed upon by the two parties to the transaction.	1.44 %
0	REXON INDUSTRIAL CORP., LTD.	Vietnam Rexon	1	Other receivable	660,665	The prices were agreed upon by the two parties to the transaction.	17.83 %

Note1：Representations of No. were as follows:

1) No.0 represents the parent company.

2) Subsidiaries were numbered in sequence from No.1.

Note2：Type of intra-group transactions were as follows:

1) represents the transactions from parent company to subsidiary.

2) represents the transactions from subsidiary to parent company.

3) represents the transactions between subsidiaries.

(b) Information on investees (excluding information on investees in Mainland China):

The following is the information on investees for the nine months ended September 30, 2026 (excluding information on investees in Mainland China):

(Amounts in Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2026	December 31, 2025	Shares (thousands)	Percentage of ownership	Carrying value			
REXON INDUSTRIAL CORP., LTD.	Fine Clear Co.,Ltd	R.O.C	Buying and selling accessories	14,197	14,197	1,600	16 %	15,946	137	22	Investment Using Equity Method
REXON INDUSTRIAL CORP., LTD.	Rexon Technology Corp., Ltd. (Rexon Tech)	R.O.C	Manufacture and sale of electric components	293,741	293,741	7,851	82.87 %	91,330	(6,129)	(5,080)	Direct subsidiaries of the Company
REXON INDUSTRIAL CORP., LTD.	Power Tool Specialists Inc.	U.S.A	Merchandise trading	196,465	196,465	0.1	96 %	184,102	2,152	2,066	Direct subsidiaries of the Company
REXON INDUSTRIAL CORP., LTD.	Gold Item Group Ltd.	British Virgin Islands	Investing and holding	747,858	747,858	US$ 25,000 (Note 1)	100 %	458,005	(104,114)	(104,114)	Direct subsidiaries of the Company
REXON INDUSTRIAL CORP., LTD.	Rexon Industrial Company Ltd.(Vietnam)	Vietnam	Manufacture and sale of fitness equipment.	597,971	597,971	VND521,686,464 (Note 1)	100 %	604,740	(25,742)	(23,315)	Direct subsidiaries of the Company
REXON INDUSTRIAL CORP., LTD.	Allwin Electromechanical Technology (Thailand) CO., Ltd.	Thailand	Manufacture and sale of various machinery, woodworking machines, and components	304,270	99,000	3,102	41.54 %	238,828	(93,753)	(34,236)	Investment Using Equity Method
Gold Item	Gold Tech Group Ltd.	Hong Kong	Investing and holding	US$ 25,000	US$ 25,000	US$ 25,000 (Note 1)	100.00 %	437,381	(104,118)	(104,118)	Direct subsidiaries of Gold Item

Note1：Company Limited without issuing Shares. The amount of capital invested is disclosed.

(Continued)

REXON INDUSTRIAL CORP., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(Amounts in Thousands of New Taiwan Dollars)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2026	Net income (losses) of the investee	Percentage of ownership	Net income (losses) recognized	Carrying value as of September 30, 2026	Accumulated remittance of earnings as of September 30, 2026
					Outflow	Inflow						
Tongxiang Rexon	Manufacture and sale of various electrical equipment, woodworking machinery and related parts and components.	CNY154,465 (USD 25,000)	(Note 1)	USD 25,000 (NTD 745,565)	-	-	USD 25,000 (NTD 745,565)	(104,118)	100 %	(104,118)	437,381	-

Note 1：The Group invested companies in Mainland China through investees in Third Region, and investees in Third Region invested companies in Mainland China through their investees in Hong Kong.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
US$ 25,000 (NT$745,565)	US$ 25,000 (NT$745,565)	2,387,665

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(14) Segment information

The reportable information of segment's profit and assets is in accordance with the consolidated financial statements. Please refer to Consolidated Statements of Financial Position and Consolidated Statements of Comprehensive Income**.**