Stock Code: 3611

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Consolidated Financial Statement and Auditor's Audit Report

2025 and 2024

Company address: 9F., No. 95, Minquan Rd., Xindian Dist., New Taipei City 231

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

Table of Contents

Declaration Statement

Affiliated enterprises subject to the preparation of consolidated financial statements under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" were identical to the affiliated companies subject to the preparation of consolidated financial statements under International Accounting Standards No. 10 for the financial year 2025 (from January 1 to December 31, 2025). All mandatory disclosures of the consolidated financial statements of affiliated enterprises have been included; therefore, no separate consolidated financial statements of affiliated enterprises were prepared.

This declaration is solemnly made by

Name of the company: TSC Auto ID Technology Co., Ltd.

Chairman: Wang Hsing Lei

Date: March 13, 2026

Auditor’s Audit Report

To the Board of Directors of TSC Auto ID Technology Co., Ltd.:

Audit opinions

We have audited the consolidated balance sheet as of December 31, 2025; the consolidated income statement from January 1 to December 31, 2025; the consolidated statements of changes in equity; and the consolidated statements of cash flows from January 1 to December 31, 2025 of TSC Auto ID Technology Co., Ltd. and its subsidiaries (the Group), as well as the notes to the consolidated financial statements (including the summary of major accounting policies).

Based on our audit and the audits of other auditors (please refer to “Other Matters”), all material disclosures in the consolidated financial statements mentioned above were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, International Accounting Standards, and interpretations thereof approved and promulgated by the Financial Supervisory Commission. These disclosures provide a fair representation of TSC Auto ID Technology Group’s consolidated financial position as of December 31, 2025, consolidated financial performance from January 1 to December 31, 2025, and consolidated cash flows from January 1 to December 31, 2025.

Basis of audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing principles. Our responsibilities as auditor for the consolidated financial statements under the abovementioned standards are explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed the Norm of Professional Ethics for CPA and maintained independence from TSC Auto ID Technology Group when performing their duties. We believe that the evidence obtained from our audit and the audit results of other auditors provide an adequate and appropriate basis for our opinion.

Other Matters

Among the subsidiaries consolidated in TSC Auto ID Technology Group’s financial statements, the financial statements of certain subsidiaries were not audited by us but by other auditors. Therefore, the opinions expressed in the aforementioned consolidated financial statements regarding the amounts related to those subsidiaries were based on audit reports prepared by other CPAs. The total assets of those subsidiaries as of December 31, 2025 accounted for 19.53% of the consolidated total assets, and their net operating revenue for the period from January 1 to December 31, 2025 accounted for 32.40% of the consolidated net operating revenue.

The consolidated financial statements of TSC Auto ID Technology Co., Ltd. for the year ended 2024 were audited by other auditors, who issued an unqualified audit report and made additional disclosures in the Other Matters paragraph.

TSC Auto ID Technology Co., Ltd. has prepared standalone financial statements for 2025 and 2024, to which we and other CPAs have issued an independent auditor's report with unqualified opinion and made additional disclosures in the Other Matters paragraph.

Key Audit Matters

Key Audit Matters are matters that we considered to be the most important, based on professional judgment, when auditing the 2025 consolidated financial statements of TSC Auto ID Technology Group. These issues were already addressed when we audited and formed our opinions on the consolidated financial statements. Therefore, we do not provide opinions separately for individual issues. The key audit matters that, in our professional judgment, should be communicated in the audit report are as follows:

I. Revenue recognition

For the accounting policy on revenue recognition, please refer to Note 4 (14) "Revenue Recognition" to the consolidated financial statements; for details of revenue, please refer to Note 6 (18) "Revenue from Contracts with Customers" to the consolidated financial statements.

Description of Key Audit Matters

The principal business activities of the Company are the manufacturing and provision of global automatic identification system products. Sales revenue is a key indicator used by investors and management to assess the Company's performance; therefore, the reasonableness of revenue recognition is one of the key matters considered by us in the audit of the financial statements.

Audit procedures in response:

Our primary audit procedures regarding the above Key Audit Matters included testing the relevant controls over the sales and collection cycle to assess the reliability of revenue recording; checking and reconciling sales system data with general ledger entries; evaluating the consistency between sales terms and the accounting policy for revenue recognition; performing trend analysis on the top ten customers to identify any significant anomalies; and using system-based tools to perform sample testing of sales transactions before and after the year-end to assess the accuracy of the timing and amounts of revenue recognition.

II. Impairment assessment for goodwill

For the accounting policy on impairment of goodwill, please refer to Note 4 (12) "Impairment of non-financial assets" to the consolidated financial statements; for the accounting estimates and uncertainties relating to the impairment assessment of goodwill, please refer to Note 5 (3) "Impairment assessment of goodwill" to the consolidated financial statements; and for details of goodwill, please refer to Note 6 (8) "Goodwill" to the consolidated financial statements.

Description of Key Audit Matters

The Group recognized goodwill in the consolidated financial statements upon the acquisition of businesses and control, and such amounts are material to the consolidated financial statements. In addition, the assessment of whether goodwill is impaired depends on the estimation of future cash flows of cash-generating units in order to determine the recoverable amount; the estimation of future cash flows involves projections of industry conditions and future operating results, and any changes in these assumptions may affect the recoverable amount and result in impairment.

Audit procedures in response:

Our primary audit procedures in respect of the above Key Audit Matters include: obtaining a goodwill impairment assessment report issued by a professional appraiser that the management had commissioned and management's self-assessment of goodwill impairment testing; understanding and assessing the rationality of the recoverable amount calculated from the valuation model; and evaluating the overall rationality of the aforementioned goodwill impairment assessment after taking into consideration the assumptions used in the valuation model, such as sales growth, profit margin, and weighted-average funding cost (including the risk-free rate and risk premium), the state of the Company's operations, the state of the industry, and future outlook.

Responsibilities of the management and governing body of the consolidated financial statements

Responsibilities of management include preparing and ensuring the fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, International Accounting Standards, and interpretations thereof approved and promulgated by the Financial Supervisory Commission. They are also responsible for exercising proper internal control practices relevant to the preparation of the consolidated financial statements to ensure that these statements are free of material misstatements, whether caused by fraud or error.

The management's responsibilities when preparing the consolidated financial statements also included assessing the ability of TSC Auto ID Technology Company and its subsidiaries to operate, disclose information and account for transactions as a going concern unless the management intends to liquidate TSC Auto ID Technology Company and its subsidiaries or cease business operations or is compelled to do so with no alternative solution.

The governing body of TSC Auto ID Technology Co. and its subsidiaries, Ltd. (including the Audit Committee) is responsible for supervising the financial reporting process.

Responsibilities of the auditor when auditing consolidated financial statements

The purposes of our audit were to obtain reasonable assurance of whether the consolidated financial statements were prone to material misstatements, whether due to fraud or error, and to issue a report of our audit opinions. We consider assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with auditing principles do not necessarily guarantee detection of all material misstatements within the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of users of the consolidated financial statements.

When conducting audits in accordance with the auditing principles, we exercised judgments and raised doubts as deemed professionally appropriate. We also performed the following tasks as auditor:

1. Identifying and assessing risks of material misstatement within the consolidated financial statements, whether due to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Because fraud may involve conspiracy, forgery, intentional omission, untruthful declaration, or breach of internal control, the risk of not detecting material misstatements arising from fraud is greater than that of misstatements arising from error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing opinions on the effectiveness of the internal control system of TSC Auto ID Technology Co., Ltd. and its subsidiaries.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the ability of TSC Auto ID Technology Co., Ltd. and its subsidiaries to operate as a going concern, based on the audit evidence obtained. We are obliged to remind users of the consolidated financial statements and make related disclosures if uncertainties exist in regard to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of audit report. However, future events or changes in circumstances may still render TSC Auto ID Technology Co., Ltd. and its subsidiaries no longer capable of operating as a going concern.
5. Assessing the overall presentation, structure, and contents of the consolidated financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the consolidated financial statements.
6. Obtaining sufficient and appropriate audit evidence on the financial information of individual entities within the group, and expressing opinions on the consolidated financial statements. Our responsibilities as auditor are to instruct, supervise and execute audits and form audit opinions on the group.

We have communicated with the governing body about the scope, timing, and significant findings (including significant defects identified in the internal control) of our audit.

We have also provided the governing body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with the Norm of Professional Ethics for CPAs, and communicated with the governing body on all matters that may affect the auditor's independence (including protection measures).

We have identified the Key Audit Matters after communicating with the governing body regarding the 2025 consolidated financial statements of TSC Auto ID Technology Co., Ltd. and its subsidiaries. These issues have been addressed in our audit report except for topics that are prohibited by law from being disclosed to the public, or, under extreme circumstances, topics that we decided not to communicate in the audit report because of greater negative impacts they may cause than the benefits they bring to public interest.

KPMG Taiwan

CPA:

Guo Yan Glun

Xiao Pei Ru

Approval document number of the competent securities authority	:	Financial-Supervisory-Securities-Corporate-1120333238 Financial-Supervisory-Securities-Corporate-1040003949

March 13, 2026

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

Unit: NT$ thousand

Code	Asset	2025.12.31 Amount	%	2024.12.31 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6 (1))	$ 1,543,385	12	1,822,879	14
1110	Financial assets at fair value through profit or loss – current (Note 6 (2))	376	-	43	-
1151	Notes receivable (Note 6 (4))	69	-	-	-
1170	Notes and accounts receivable, net (Notes 6 (4) and 7)	1,792,281	14	1,788,945	14
1200	Other receivables (Note 7)	57,800	-	57,166	-
130X	Inventory (Note 6 (5))	2,287,386	18	2,010,639	16
1410	Prepayments	196,057	2	196,718	2
1470	Other current assets	22,681	-	72,109	1
		5,900,035	46	5,948,499	47
	Non-current assets:				
1517	Financial assets measured at fair value through other comprehensive incomes – non-current (Note 6 (3))	823,536	7	849,072	7
1600	Property, plant and equipment (Note 6 (6))	1,583,470	13	1,442,391	11
1755	Right-of-use assets (Note 6 (7))	656,437	5	678,641	5
1805	Goodwill(Note 6 (8))	1,907,986	15	1,945,645	15
1821	Other intangible assets, net (Note 6 (9))	947,491	7	1,073,007	9
1840	Deferred income tax assets (Note 6 (15))	754,450	6	668,750	5
1990	Other non-current assets (Note 6 (14))	76,466	1	99,858	1
		6,749,836	54	6,757,364	53
	Total assets	**$ 12,649,871**	**100**	**12,705,863**	**100**

Code	Liabilities and equity	2025.12.31 Amount	%	2024.12.31 Amount	%
	Current liabilities:				
2100	Short-term loans (Note 6 (10))	$ 1,131,513	9	1,841,636	14
2120	Financial liabilities at fair value through profit or loss – current (Note 6 (2))	67,420	1	69,261	-
2170	Accounts payable (Note 7)	904,427	7	709,006	6
2200	Other payables (Note (12) and 7)	497,130	4	482,293	4
2230	Income tax liability during the period	99,058	1	91,505	1
2280	Lease liability – current (Note 6 (13))	140,361	1	120,939	1
2322	Long-term loans maturing within one year (Note 6 (11))	276,921	2	207,442	2
2399	Other current liabilities (Note 6 (18))	287,551	2	312,106	2
		3,404,381	27	3,834,188	30
	Non-current liabilities:				
2500	Financial liabilities at fair value through profit or loss – non-current (Note 6 (2))	-	-	26,784	-
2540	Long-term loans (Note 6 (11))	2,420,774	19	2,335,770	18
2570	Deferred income tax liabilities (Note 6 (15))	791,342	6	762,850	6
2580	Lease liability – current (Note 6 (13))	550,879	4	567,344	5
2640	Net defined benefit liability – non-current (Note 6 (14))	17,613	-	15,431	-
2670	Other non-current liabilities	70,135	1	62,217	1
		3,850,743	30	3,770,396	30
	Total liabilities	7,255,124	57	7,604,584	60
	Equity attributable to owners of the parent company: (Note 6 (16))				
3110	Ordinary share capital	475,546	4	473,791	4
3200	Capital surplus	755,141	6	722,280	5
3300	Retained earnings	4,036,199	32	3,595,538	28
3400	Other equity	122,039	1	234,184	2
	Total equity attributable to owners of the parent company	5,388,925	43	5,025,793	39
36XX	Non-controlling interest	5,822	-	75,486	1
	Total equity	5,394,747	43	5,101,279	40
	Total liabilities and equity	**$ 12,649,871**	**100**	**12,705,863**	**100**

(Please refer to the accompanying notes to the consolidated financial statements.)

Chairman: Wang Hsing Lei **Chief Executive Officer: Chen Ming-Yi** **Chief Accounting Officer: Lan Yi-Hsuan**

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Consolidated Comprehensive Income Statement

January 1 to December 31, 2025 and 2024

Unit: NT$ thousand

		2025		2024	
		Amount	**%**	**Amount**	**%**
4000	Operating incomes (Notes 6 (18) and 7)	$ 11,529,034	100	8,798,132	100
5000	Operating costs (Notes 6 (5) and 7)	7,808,715	68	6,062,972	69
	Gross profits	3,720,319	32	2,735,160	31
6000	Operating expenses: (Notes 6 (14) (17) and 7):				
6100	Sales & marketing expenses	1,336,713	12	973,830	11
6200	Administrative expenses	624,847	5	549,074	6
6300	R&D expenses	604,239	5	304,582	3
6450	Expected credit losses (reversal gains) (Note 6 (4))	16,779	-	(8,992)	-
		2,582,578	22	1,818,494	20
	Operating profits	1,137,741	10	916,666	11
	Non-operating incomes and expenses: (Notes 6 (20) and 7):				
7100	Interest income	22,477	-	16,983	-
7190	Other incomes	57,939	1	62,874	1
7020	Other gains and losses	45,311	-	31,607	-
7050	Financial cost	(145,636)	(1)	(93,719)	(1)
		(19,909)	-	17,745	-
	Profits before tax	1,117,832	10	934,411	11
7950	Less: income tax expense (Note 6 (15))	181,269	2	262,195	3
	Net income for the period	936,563	8	672,216	8
8300	Other comprehensive incomes: (Notes 6 (15) and (16)):				
8310	**Items that are not to be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plan	(2,543)	-	(11,603)	-
8316	Unrealized gains/losses from investments in equity instruments measured at fair value through other comprehensive incomes	(25,536)	-	(598,962)	(7)
8349	Income tax components that will not be reclassified	-	-	-	-
		(28,079)	-	(610,565)	(7)
8360	**Items that may be subsequently reclassified to profit or loss**				
8361	Exchange differences on translation of financial statements of foreign operations	(106,098)	(1)	82,816	1
8399	Income tax components that may be reclassified	19,418	-	(17,219)	-
		(86,680)	(1)	65,597	1
8300	**Other comprehensive income for the period**	(114,759)	(1)	(544,968)	(6)
	Total comprehensive income for the period	$ 821,804	7	127,248	2
	Net income for the period attributable to:				
8610	Owners of the parent company	$ 932,651	8	669,957	8
8620	Non-controlling interest	3,912	-	2,259	-
		$ 936,563	8	672,216	8
	Total comprehensive income attributable to:				
	Owners of the parent company	$ 817,963	7	128,722	2
	Non-controlling interest	3,841	-	(1,474)	-
		$ 821,804	7	127,248	2
	Basic Earnings per Share (NT$) (Note 6 (21))	$	19.63		14.19
	Diluted Earnings per Share (NT$) (Note 6 (21))	$	19.48		14.05

(Please refer to the accompanying notes to the consolidated financial statements.)

Chairman: Wang Hsing Lei **Chief Executive Officer: Chen Ming-Yi** **Chief Accounting Officer: Lan Yi-Hsuan**

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Consolidated Statement of Changes in equity

January 1 to December 31, 2025 and 2024

Unit: NT$ thousand

	Equity attributable to owners of the parent company											
			Retained earnings				Other equity					
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gain (loss) of financial assets measured at fair value through other comprehensive incomes	Total	Equity attributable to owners of the parent company	Non-controlling interest	Total equity
Balance as of January 1, 2024	$ 471,406	676,011	770,477	8,597	2,770,511	3,549,585	(83,887)	848,156	764,269	5,461,271	-	5,461,271
Net income for the period	-	-	-	-	669,957	669,957	-	-	-	669,957	2,259	672,216
Other comprehensive income for the period	-	-	-	-	(11,150)	(11,150)	68,877	(598,962)	(530,085)	(541,235)	(3,733)	(544,968)
Total comprehensive income for the period	-	-	-	-	658,807	658,807	68,877	(598,962)	(530,085)	128,722	(1,474)	127,248
Exercise of employee stock options	2,385	28,803	-	-	-	-	-	-	-	31,188	-	31,188
Appropriation and distribution of earnings												
Appropriation of legal reserve	-	-	92,507	-	(92,507)	-	-	-	-	-	-	-
Cash dividends on common shares	-	-	-	-	(612,854)	(612,854)	-	-	-	(612,854)	-	(612,854)
Non-controlling interests arising from business combinations	-	-	-	-	-	-	-	-	-	-	76,960	76,960
Share-based compensation – employee stock options	-	17,466	-	-	-	-	-	-	-	17,466	-	17,466
Balance as of December 31, 2024	**473,791**	**722,280**	**862,984**	**8,597**	**2,723,957**	**3,595,538**	**(15,010)**	**249,194**	**234,184**	**5,025,793**	**75,486**	**5,101,279**
Net income for the period	-	-	-	-	932,651	932,651	-	-	-	932,651	3,912	936,563
Other comprehensive income for the period	-	-	-	-	(2,543)	(2,543)	(86,609)	(25,536)	(112,145)	(114,688)	(71)	(114,759)
Total comprehensive income for the period	-	-	-	-	930,108	930,108	(86,609)	(25,536)	(112,145)	817,963	3,841	821,804
Exercise of employee stock options	1,755	21,467	-	-	-	-	-	-	-	23,222	-	23,222
Appropriation and distribution of earnings												
Appropriation of legal reserve	-	-	65,880	-	(65,880)	-	-	-	-	-	-	-
Cash dividends on common shares	-	-	-	-	(474,481)	(474,481)	-	-	-	(474,481)	-	(474,481)
Changes in ownership interests in subsidiaries	-	(1,984)	-	-	(14,966)	(14,966)	-	-	-	(16,950)	(73,505)	(90,455)
Share-based compensation – employee stock options	-	13,378	-	-	-	-	-	-	-	13,378	-	13,378
Balance as of December 31, 2025	**$ 475,546**	**755,141**	**928,864**	**8,597**	**3,098,738**	**4,036,199**	**(101,619)**	**223,658**	**122,039**	**5,388,925**	**5,822**	**5,394,747**

(Please refer to the accompanying notes to the consolidated financial statements.)

Chairman: Wang Hsing Lei **Chief Executive Officer: Chen Ming-Yi** **Chief Accounting Officer: Lan Yi-Hsuan**

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Consolidated Statement of Cash Flows

January 1 to December 31, 2025 and 2024

Unit: NT$ thousand

	2025	2024
Cash flows from operating activities:		
Profit before tax	$ 1,117,832	934,411
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	323,230	270,417
Amortization expenses	182,986	76,379
Expected credit loss (reversal of impairment loss)	16,779	(8,992)
Interest expense	145,636	93,719
Interest income	(22,477)	(16,983)
Dividend income	(32,288)	(31,920)
Shares-based payment cost	13,378	17,466
Loss on disposal and scrapping of property, plant, and equipment	243	1,500
Loss on disposal of intangible assets	-	20
Inventory devaluation loss	12,148	28,807
Unrealized foreign exchange losses	5,614	534
Loss on lease modification	2,051	7
Total incomes, gains, expenses and losses	647,300	430,954
Changes in assets and liabilities related to operating activities:		
Decrease (increase) in financial assets measured at fair value through profit or loss	(333)	4,500
Decrease (increase) in notes receivable	(69)	25
Decrease (increase) in accounts receivable	(89,374)	2,028
Decrease (increase) in other receivables	(3,974)	13,278
Decrease (increase) in inventories	(288,895)	229,448
Increase in prepayments	(2,559)	(89,879)
Decrease in other current assets	3,837	8,683
Increase in net defined benefit assets	(6,957)	(18,978)
Decrease (increase) in other non-current assets	(7)	4,000
Increase (Decrease) in financial liabilities at fair value through profit or loss	(35,682)	21,689
Increase (decrease) in accounts payable	208,468	(142,162)
Increase (decrease) in other payables	22,352	(90,017)
Increase (decrease) in other current liabilities	(22,111)	45,978
Decrease in net defined benefit liabilities	(361)	(491)
Increase in other non-current liabilities	9,424	9,465
Total adjustments	441,059	428,521
Cash inflows from operating activities	1,558,891	1,362,932
Interest received	24,984	17,040
Income tax paid	(121,654)	(247,580)
Net cash flows from operating activities	1,462,221	1,132,392
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive incomes	-	(93,834)
Acquisition of subsidiaries	(90,433)	(2,370,265)
Acquisition of property, plant and equipment	(225,126)	(105,167)
Disposal of property, plant and equipment	5,650	857
Increase in refundable deposits	(6,004)	(892)
Decrease in refundable deposits	-	3,070
Acquisition of intangible assets	(55,249)	(24,333)
Increase in equipment prepayments	(33,787)	(133,019)
Dividends received	32,288	31,920
Net cash outflows from investing activities	(372,661)	(2,691,663)
Cash flows from financing activities		
Increase (decrease) in short-term loans	(715,737)	1,168,160
Borrowing of long-term loans	1,261,623	2,232,203
Repayment of long-term loans	(1,108,105)	(308,899)
Increase in deposits received	-	(89)
Repayment of lease principal	(174,680)	(104,302)
Cash dividends paid	(474,481)	(612,854)
Exercise of employee stock options	23,222	31,188
Interest paid	(102,255)	(89,052)
Net cash inflow (outflow) from financing activities	(1,290,413)	2,316,355
Currency impact on cash and cash equivalents	(78,641)	245
Increase (decrease) in cash and cash equivalents during the period	(279,494)	757,329
Cash and cash equivalents at the beginning of the period	1,822,879	1,065,550
Cash and cash equivalents at the end of the period	$ 1,543,385	1,822,879

(Please refer to the accompanying notes to the consolidated financial statements.)

Chairman: **Wang Hsing Lei** **Chief Executive Officer:** **Chen Ming-Yi** **Chief Accounting Officer:** **Lan Yi-Hsuan**

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries
Notes to Consolidated Financial Statements
January 1 to December 31, 2025 and 2024
(Unit: NT$ thousand unless otherwise indicated)

I. Company history

TSC Auto ID Technology Co., Ltd. (hereinafter referred to as the "Company") was incorporated on March 19, 2007 with approval from the Ministry of Economic Affairs, and its registered address is 9F., No. 95, Minquan Rd., Xindian Dist., New Taipei City The Company's shares were listed for trading on November 26, 2008 on the Taipei Exchange (hereinafter referred to as the "TPEx"). TSC Auto ID Technology Co., Ltd. and its subsidiaries ("the Group"), founded on March 19, 2007, is a global company in auto-identification systems/products manufacturing and services.

II. Dates and procedures of approving financial reports

The consolidated financial reports were published on March 13, 2026 after approval by the Board of Directors.

III. Applicability of new and amended standards and interpretations

(I) Impact of the adoption of new and amended standards and interpretations endorsed by the financial supervisory commission

The Group has applied the following newly issued and amended IFRS as endorsed by the Financial Supervisory Commission from January 1, 2025, which has not had a material impact on the consolidated financial statements.

- Amendments to IAS 21 "Lack of Exchangeability"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments," including the application guidance for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(II) Impact of IFRS endorsed by the financial supervisory commission but not yet adopted

The Group has assessed that the application of the following newly amended IFRS , effective from January 1, 2026, will not have a material impact on the consolidated financial statements.

- IFRS 17 "Insurance Contracts" and Amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual improvements to IFRS
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(III) New and amended standards and interpretations not yet endorsed by the Financial Supervisory Commission

Standards and interpretations issued and amended by the International Accounting Standards Board but not yet endorsed by the Financial Supervisory Commission that may be relevant to the Group are as follows:

New or amended standards	Summary of amendments	IASB release and effective date
IFRS 18 "Presentation and Disclosures of Financial Statements"	The new standard introduces three categories of income and expenses, two subtotals in the statement of profit or loss, and a single note on management performance measures. These three amendments and enhancements to the guidance on how information is disaggregated in the financial statements provide a basis for more useful and consistent information for users and will affect all entities. • More structured statement of profit or loss: Under current standards, companies use different formats to present their operating results, making it difficult for investors to compare financial performance across entities. The new standard adopts a more structured statement of profit or loss, introduces a newly defined subtotal of "operating profit," and requires all income and expenses to be classified into three new categories based on the entity's main business activities. • Management performance measures (MPMs): The new standard introduces a definition of management performance measures and requires companies to disclose, in a single note to the financial statements, for each	January 1, 2027 Note: The Financial Supervisory Commission announced in a press release dated September 25, 2025, that Taiwan will adopt International Financial Reporting Standard 18 starting from the 2028 fiscal year. If a company has a need for early adoption, it may choose to do so upon approval by the Financial Supervisory Commission.

New or amended standards	Summary of amendments	IASB release and effective date
	measure why it provides useful information, how it is calculated, and how it is reconciled to the amounts recognized in accordance with IFRS Accounting Standards. • More disaggregated information: The new standard includes guidance on how companies enhance the grouping of information in the financial statements. This includes guidance on whether information should be presented in the primary financial statements or further disaggregated in the notes.	

The Group is currently in the process of evaluating the impact of the aforementioned standards and interpretations on its financial position and operating results. The relevant impacts will be disclosed upon completion of the evaluation.

The Group expects that the following other newly issued and amended standards, which have not yet been endorsed, will not have a material impact on its consolidated financial statements.

- Amendments to International Financial Reporting Standard 10 and International Accounting Standard 28: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- International Financial Reporting Standard 19 "Subsidiaries without Public Accountability: Disclosures" and amendments to International Financial Reporting Standard 19
- Amendments to International Accounting Standard 21: "Translation to a Hyperinflationary Presentation Currency"

IV. Summary of significant accounting policies

A summary of the significant accounting policies adopted in these consolidated financial statements is as follows. The following accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

(I) 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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "IFRS endorsed by the FSC").

(II) Basis of Preparation

1. Basis of measurement

   Except for the following material items in the balance sheet, these consolidated financial statements have been prepared on the historical cost basis:

   (1) Financial assets at fair value through profit or loss, measured at fair value;

   (2) Financial assets at fair value through other comprehensive income, measured at fair value; and

   (3) The net defined benefit liability or assets, recognized as the net of the present value of the defined benefit obligation less the fair value of plan assets.

2. Functional currency and presentation currency

   Functional currency of each entity within the Group is the currency of the primary economic environment in which each of its operations operates. The consolidated financial statements are expressed in NT dollars, the Company's functional currency. All financial information presented in New Taiwan dollars is expressed in thousands of NT dollars.

(III) Basis of Consolidation

1. Basis of preparation of the consolidated financial statements

   The consolidated financial statements comprise the Company and the entities controlled by the Company (i.e. its subsidiaries). The Company controls an investee when it 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.

   The financial statements of a subsidiary are included in the consolidated financial statements from the date on which the Company obtains control until the date on which control is lost. Intercompany transactions, balances, and any unrealized gains and losses are eliminated in full in the preparation of the consolidated financial statements. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The financial statements of subsidiaries have been appropriately adjusted to ensure consistency with the accounting policies adopted by the Group.

Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions with owners. The difference between the adjustment to non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

The subsidiaries included in these consolidated financial statements comprise:

Name of the investment company	Name of the subsidiary	Nature of the business	Shareholding percentage		Description
			2025.12.31	2024.12.31	
The Company	TSC Auto ID Technology EMEA GmbH (TSCAE)	Selling and buying of barcode printers and relevant components	100.00%	100.00%	-
The Company	TSC Auto ID (H.K.) Ltd. (TSC HK)	Investments in various manufacturing enterprises	100.00%	100.00%	-
The Company	TSC Auto Technology America Inc. (TSCAA)	Selling and buying of barcode printers and relevant components	100.00%	100.00%	-
The Company	Diversified Labeling Solutions, Inc. (DLS)	Printer consumables and customized design, integration, production and marketable of a variety of labels	100.00%	100.00%	-
The Company	TSC Auto ID Technology India Private Limited (TSCIN)	Leasing of assets	100.00%	100.00%	-
The Company	Mosfortico Investments sp. z o.o. (TSCPL)	General investment	100.00%	100.00%	-
The Company	Bluebird Inc. (BB)	Manufacturing and sales of enterprise mobile computers and components	99.85%	96.54%	
The Company and BB	Bluebird Latin America S. de R.L. de CV (BBMX)	Manufacturing and sales of enterprise mobile computers and components	100.00%	100.00%	註1
TSCAE	TSC Auto ID Technology ME, Ltd. FZE (TSCAD)	Selling and buying of barcode printers and relevant components	100.00%	100.00%	-
TSCAE	TSC Auto ID Technology Spain, S.L.(TSCAS)	Leasing of assets	100.00%	100.00%	-
TSC HK	Tianjin TSC Auto ID Technology Co., Ltd. (Tianjin TSC Auto ID Technology)	Production and marketing of barcode printers and relevant components	100.00%	100.00%	-
DLS	Precision Press & Label, Inc. (PPL)	Trading of a variety of labels and printer consumables	100.00%	100.00%	-
TSCPL	MGN sp. z o.o. (MGN)	Printer consumables and customized design, integration, production and marketable of a variety of labels	100.00%	100.00%	-
BB	Bluebird USA Inc.（BBUS）	Collection of payments on behalf	100.00%	100.00%	-
BB	Bluebird India R&D Center Private Ltd.（BBIN）	R&D and design of enterprise mobile computers; technical services	99.00%	99.00%	-

Name of the investment company	Name of the subsidiary	Nature of the business	Shareholding percentage		Description
			2025.12.31	2024.12.31	
BB	Bluebird Germany GmbH （BBDE）	Marketing support services	100.00%	100.00%	-
BB	Bluebird Europe SL（BBES）	Established due to bidding requirements	100.00%	100.00%	-
BB	Bluebird Japan Co., Ltd. (BBJP)	Manufacturing and sales of enterprise mobile computers and components	100.00%	- %	-

Note 1: TSC Auto ID Technology Co., Ltd. acquired a South Korean subsidiary, BB, through a business combination in November 2024. BB holds a 99.97% equity interest in BBMX. After acquiring the remaining 0.03% equity interest in BBMX in November 2024, the Company, together with BB, holds 100% of the equity interest in BBMX.

(IV) Foreign currency

1. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), foreign currency monetary items are translated into the functional currency using the exchange rate at that date. Foreign currency non-monetary items measured at fair value are translated into the functional currency using the exchange rates at the date the fair value is measured, while those measured at historical cost are translated using the exchange rates at the transaction dates.

Exchange differences arising from translation are generally recognized in profit or loss; however, in the following circumstances, they are recognized in other comprehensive income:

(1) equity instruments designated at fair value through other comprehensive income;

(2) financial liabilities designated as hedges of a net investment in a foreign operation, to the extent that the hedge is effective; or

(3) qualifying cash flow hedges, to the extent that the hedge is effective.

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency of these consolidated financial statements using the exchange rates at the reporting date. Income and expenses are translated into the presentation currency of the consolidated financial statements at the average exchange rates for the period, and the resulting exchange differences are recognized in other comprehensive income.

(V) Classification of current and non-current assets and liabilities

The Group classifies an asset as current if it meets any of the following conditions; all other assets that do not meet these criteria are classified as non-current assets:

1. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. It is cash or a cash equivalent (as defined in IAS 7), unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies a liability as current when it meets any of the following criteria; all other liabilities are classified as non-current liabilities:

1. It is expected to be settled in the Company's normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(VI) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to certain amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are presented as cash equivalents.

(VII) Financial instruments

Accounts receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets (other than accounts receivables that do not contain a significant financing component) and financial liabilities not measured at fair value through profit or loss are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance. Accounts receivable that do not contain a significant financing component are initially measured at the transaction price.

1. Financial assets

Regular way purchases or sales of financial assets are recognized using trade date or settlement date accounting consistently for all financial assets classified in the same manner.

At initial recognition, financial assets are classified as: financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, equity investments measured at fair value through other comprehensive income, or financial assets measured at fair value through profit or loss. The Group reclassifies all affected financial assets only when it changes its business model for managing financial assets, and such reclassification is applied from the beginning of the next reporting period.

(1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- 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.

Subsequently, these assets are measured at amortized cost using the effective interest method, being the amount at initial recognition adjusted for cumulative amortization and any loss allowance. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Upon derecognition, any gain or loss is recognized in profit or loss.

(2) Financial assets measured at fair value through other comprehensive incomes

Debt instrument investments are measured at fair value through other comprehensive income if they meet both of the following conditions and are not designated as at fair value through profit or loss:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset.

- 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.

At initial recognition, the Group may make an irrevocable selection to present subsequent changes in the fair value of equity investments that are not held for trading in other comprehensive income. The above selection was made on the basis of each individual instrument.

Debt instrument investments are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses are recognized in profit or loss, while other net gains or losses are recognized in other comprehensive income. Upon derecognition, the cumulative amount in other comprehensive income is reclassified to profit or loss.

Equity instrument investments are subsequently measured at fair value. Dividend income (unless it clearly represents a recovery of part of the cost of the investment) is recognized in profit or loss. Other net gains or losses are recognized in other comprehensive income and are not reclassified to profit or loss.

Dividend income from equity investments is recognized when the Group's right to receive payment is established (usually the ex-dividend date).

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

Financial assets that are not classified as measured at amortized cost or at fair value through other comprehensive income (for example, those held for trading or managed and evaluated on a fair value basis) are measured at fair value through profit or loss, including derivative financial assets. At initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the criteria for measurement at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss, in order to eliminate or significantly reduce an accounting mismatch.

Such assets are subsequently measured at fair value, and the net gains or losses (including any dividend and interest income) are recognized in profit or loss.

(4) Impairment of financial assets

The Group recognizes an allowance for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, financial assets at amortized cost, notes receivable and accounts receivable, other receivables, refundable deposits, and other financial assets), debt instrument investments measured at fair value through other comprehensive income, accounts receivable and contract assets.

The following financial assets are measured for loss allowance at an amount equal to 12-month expected credit losses, while others are measured at an amount equal to lifetime expected credit losses:

- debt securities determined to have low credit risk at the reporting date; and
- other debt securities and bank deposits for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The loss allowance for accounts receivable and contract assets is measured at an amount equal to lifetime expected credit losses.

In assessing whether credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available without undue cost or effort, including both qualitative and quantitative information, as well as analyses based on the Group’s historical experience, credit assessments, and forward-looking information.

Expected credit losses represent the probability-weighted estimate of credit losses over the expected life of the financial instrument. Credit losses are measured as the present value of all cash shortfalls, i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. Expected credit losses are discounted using the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets measured at amortized cost and debt securities measured at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as default, delinquency, or payments more than 365 days past due;
- the Company, for economic or contractual reasons relating to the borrower's financial difficulty, granting the borrower a concession that the Group would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The loss allowance for financial assets measured at amortized cost is deducted from the carrying amount of the assets. For investments in debt instruments measured at fair value through other comprehensive income, the loss allowance is recognized in profit or loss and other comprehensive income (without reducing the carrying amount of the assets).

When the Group has no reasonable expectation of recovering a financial asset in whole or in part, it directly reduces the gross carrying amount of the financial asset. For corporate customers, the Group makes an individual assessment of the timing and amount of write-off based on whether recovery is reasonably expected. The Group does not expect any significant reversal of amounts written off. However, financial assets that have been written off may still be subject to enforcement activities in order to comply with the Group's procedures for recovery of overdue amounts.

(5) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; when it transfers the financial asset and substantially all the risks and rewards of ownership have been transferred to another entity; or when the Company has neither transferred nor retained substantially all the risks and rewards of ownership and has not retained control of the financial asset.

2. Financial liabilities and equity instruments

(1) Classification as liabilities or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(2) Equity transactions

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

(3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss. Financial liabilities are classified as at fair value through profit or loss if they are held for trading, are derivatives, or are designated as such upon initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value, and the related net gains or losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains or losses are recognized in profit or loss. Any gain or loss arising on derecognition is also recognized in profit or loss.

(4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged, canceled, or expire. When the terms of a financial liability are modified and the cash flows of the modified liability are substantially different, the original financial liability is derecognized and a new financial liability is recognized at fair value based on the modified terms.

Upon derecognition of a financial liability, the difference between its carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(5) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and presented on a net basis in the balance sheet only when the Group currently has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3. Derivative financial instruments

The Group holds derivative financial instruments to hedge its exposure to foreign currency and interest rate risks. Embedded derivatives are separated from the host contract and accounted for separately when certain criteria are met and the host contract is not a financial asset.

Derivatives are initially recognized at fair value and subsequently measured at fair value, with any gains or losses arising from remeasurement recognized directly in profit or loss.

(VIII) Inventory

Inventories are measured at the lower of cost and net realizable value. Cost includes expenditures incurred in acquiring the inventories and bringing them to the location and condition ready for use, including purchase costs, production or conversion costs, and other costs, and is determined using the first-in, first-out method. The cost of finished goods and work in progress includes manufacturing overhead allocated based on normal capacity using an appropriate proportion.

Net realizable value refers to the estimated selling price less all additional costs required for completion and all associated marketing expenses under normal circumstances.

(IX) Property, plant and equipment

1. Recognition and measurement

Items of property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment losses.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

2. Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

3. Depreciation

Depreciation is calculated based on the cost of an asset less its residual value and is recognized in profit or loss using the straight-line method over the estimated useful life of each component.

Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

(1) Buildings and structures: 5 to 52 years
(2) Machinery: 3 to 20 years
(3) Other equipment: 1 to 20 years

The Group reviews the depreciation method, useful lives, and residual values at each reporting date and makes appropriate adjustments when necessary.

(X) Leases

The Group assesses whether a contract is, or contains, a lease at the inception date of the contract. 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.

1. Lessee

At the commencement date of the lease, the Group recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, which comprises the initial measurement amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset and restore the site on which it is located or the underlying asset itself, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method 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. In addition, the Group periodically assesses whether the right-of-use asset is impaired and accounts for any impairment loss incurred, and adjusts the right-of-use asset accordingly when the lease liability is remeasured.

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date of the lease. If the interest rate implicit in the lease can be readily determined, that rate is used as the discount rate. If not, the Group's incremental borrowing rate is used. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

(1) Fixed payments, including in-substance fixed payments;
(2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date of the lease;
(3) Amounts expected to be payable under residual value guarantees; and
(4) The exercise price under a purchase option or penalties for terminating the lease, if the Company is reasonably certain to exercise the purchase option or termination option.

Subsequent to initial recognition, the lease liability is measured using the effective interest method, and its carrying amount is remeasured when:

(1) Future lease payments change due to a change in an index or a rate used to determine those payments;
(2) Amounts expected to be payable under a residual value guarantee change;
(3) The assessment of a purchase option relating to the underlying asset changes;
(4) There is a change in the assessment of whether an extension or termination option will be exercised, resulting in a revised lease term; or
(5) The lease subject matter, scope, or other terms of the lease are modified.

When the lease liability is remeasured due to changes in an index or rate used to determine lease payments, changes in amounts expected to be payable under a residual value guarantee, or changes in the assessment of purchase, extension, or termination options, a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss.

For lease modifications that decrease the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and any difference between the reduction in the right-of-use asset and the remeasurement of the lease liability is recognized in profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as separate line items in the balance sheet.

For short-term leases of machinery, equipment, and other office equipment, as well as leases of low-value underlying assets, the Group has elected not to recognize right-of-use assets and lease liabilities. Instead, it recognizes the related lease payments as an expense on a straight-line basis over the lease term.

Sale and leaseback transactions are assessed in accordance with IFRS 15 to determine whether the transfer of the asset to the buyer-lessor qualifies for sale treatment. If the transaction is determined to qualify as a sale, the asset is derecognized, and the portion of rights transferred to the buyer-lessor is recognized as a gain or loss. The leaseback is accounted for in accordance with the lessee accounting model, and the right-of-use asset is measured based on the proportion of the previous carrying amount relating to the right retained. If the transaction does not meet the requirements for sale accounting, the transferred asset continues to be recognized, and the consideration received is recognized as a financial liability.

(XI) Intangible assets

1. Recognition and measurement

Expenditures related to research activities are recognized in profit or loss as incurred.

Development expenditures are capitalized only when they can be measured reliably, the technical or commercial feasibility of the product or process has been established, it is probable that future economic benefits will flow to the Group, and the Group has the intention and sufficient resources to complete the development and to use or sell the asset. Other development expenditures are recognized in profit or loss as incurred. After initial recognition, capitalized development expenditures are measured at cost less accumulated amortization and accumulated impairment losses.

Other intangible assets with finite useful lives acquired by the Group, including customer relationships, patents, and trademarks, are measured at cost less accumulated amortization.

2. Goodwill

Goodwill arising from the acquisition of businesses and control is included in intangible assets. Subsequently, goodwill is measured at cost less accumulated impairment losses; please refer to Note 6 (8).

3. Amortization

Except for goodwill, amortization is calculated based on the cost of the asset less its estimated residual value and is recognized in profit or loss on a straight-line basis over its estimated useful life from the date the asset is available for use.

The estimated useful lives for the current and comparative periods are as follows:

(1) Customer relationship:	9–19.6 years
(2) Computer software:	1–10 years
(3) Trademarks:	5 years
(4) Knowhow & technology:	5–10 years
(5) Patents:	8 years
(6) Others:	5 years

The Group reviews the amortization method, useful lives, and residual values of intangible assets at each annual reporting date and makes appropriate adjustments when necessary.

(XII) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that the carrying amount of a non-financial asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

For the purpose of impairment testing, a group of assets that generates cash inflows largely independent of the cash inflows from other individual assets or groups of assets is identified as the smallest identifiable asset group.

The recoverable amount of an individual asset or cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognized when the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount. Impairment losses are recognized immediately in profit or loss.

(XIII) Provision for warranty liabilities

A provision for warranties is recognized when goods or services are sold. The provision is measured based on historical warranty data and weighted according to the probability of all possible outcomes.

(XIV) Revenue recognition

1. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services. The Group recognizes revenue when control of the goods or services is transferred to the customer and the performance obligations are satisfied. The Group's primary revenue items are described as follows:

(1) Sale of goods

The Group recognizes revenue when control of the products has been transferred. Transfer of control of the products occurs when the products have been delivered to the customer, the customer has full discretion over the sales channel and price of the products, and there are no unfulfilled obligations that could affect the customer's acceptance of the products. Delivery occurs when the products are transported to the specified location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all acceptance criteria have been satisfied.

The Group recognizes accounts receivables upon delivery of the goods, as it has an unconditional right to consideration at that point in time.

(2) Financial components

The Group expects that, for all customer contracts, the period between the transfer of goods or services to the customer and the customer's payment for such goods or services will not exceed one year. Therefore, the Group does not adjust the transaction price for the time value of money.

2. Costs of contracts with customers

(1) Incremental costs of obtaining a contract

If the Group expects to recover the incremental costs of obtaining a contract with a customer, such costs are recognized as an asset. Incremental costs of obtaining a contract are costs incurred to obtain a customer contract that would not have been incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

As a practical expedient permitted by the standard, if the incremental costs of obtaining a contract are recognized as an asset and the amortization period of that asset is one year or less, the Group recognizes such incremental costs as an expense when incurred.

(2) Costs to fulfill a contract

If costs incurred in fulfilling a contract with a customer are not within the scope of other standards (IAS 2 “Inventories,” IAS 16 “Property, Plant and Equipment,” or IAS 38 “Intangible Assets”), the Group recognizes such costs as an asset only when those costs relate directly to a contract or a specifically identifiable anticipated contract, generate or enhance resources that will be used in satisfying (or continuing to satisfy) performance obligations in the future, and are expected to be recovered.

General and administrative costs, costs of wasted materials, labor, or other resources incurred to fulfill a contract that are not reflected in the contract price, costs relating to performance obligations that have been satisfied (or partially satisfied), and costs for which it cannot be distinguished whether they relate to unsatisfied performance obligations or satisfied (or partially satisfied) performance obligations are recognized as expenses when incurred.

(XV) Employee benefit

1. Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as employee benefit expenses in profit or loss during the periods in which employees render services.

2. Defined benefit plans

The Company’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits earned by employees in the current or prior periods of service for each benefit plan, discounting that amount to its present value, and deducting the fair value of the plan assets.

The defined benefit obligation is actuarially determined annually by a qualified actuary using the projected unit benefit method. When the calculation results in a potential benefit to the Group, the recognized asset is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. In calculating the present value of economic benefits, any minimum funding requirements are taken into consideration.

Remeasurements of the net defined benefit liability (asset) comprise actuarial gains and losses, the return on plan assets (excluding interest), and any change in the effect of the asset ceiling (excluding interest), which are recognized immediately in other comprehensive income and accumulated in retained earnings. The Group determines the net interest expense (income) on the net defined benefit liability (asset) by using the net defined benefit liability (asset) and the discount rate determined at the beginning of the annual reporting period. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When a plan amendment or curtailment occurs, the resulting change in benefits related to past service cost or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains or losses on the settlement of a defined benefit plan when the settlement occurs.

3. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as expenses when the related services are rendered. An amount expected to be paid under short-term cash bonus or profit-sharing plans is recognized as a liability when the Group has a present legal or constructive obligation to make such payments as a result of past services provided by employees, and the obligation can be reliably estimated.

(XVI) Share-based payment transaction

Equity-settled share-based payment arrangements are measured at the fair value at the grant date, and the related expense is recognized over the vesting period of the awards, with a corresponding increase in equity. The recognized expense is adjusted based on the expected number of awards that will satisfy the service conditions and non-market price vesting conditions; the amount ultimately recognized is measured on the basis of the number of awards that satisfy the service conditions and non-market price vesting conditions on the vesting date.

For non-vesting conditions related to share-based payment awards, such conditions are reflected in the measurement of the grant-date fair value of the share-based payment, and no true-up adjustment is required for any differences between expected and actual outcomes.

The fair value of cash-settled share appreciation rights payable to employees is recognized as an expense, with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to the benefits. The liability is remeasured at fair value at each reporting date and at the settlement date, and any changes are recognized in profit or loss.

For the Group’s share-based payment arrangements, the grant date is the date on which the Board of Directors approves the grant.

(XVII) Income taxes

Income tax comprises current income tax and deferred income tax. Except for those related to business combinations, items recognized directly in equity or other comprehensive income, current income tax and deferred income tax shall be recognized in profit or loss.

Current income tax comprises the estimated income tax payable or refundable calculated based on the taxable profit (loss) for the current year, and any adjustments to income tax payable or refundable in respect of prior years. The amount is measured as the best estimate of the amount expected to be paid or received, reflecting uncertainties related to income taxes, if any, using the tax rates enacted or substantively enacted as of the reporting date.

Deferred income tax is recognized and measured based on temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred income tax is not recognized for temporary differences arising in the following circumstances:

1. The initial recognition of assets or liabilities in a transaction that is not a business combination, and at the time of the transaction (i) affects neither accounting profit nor taxable profit (loss), and (ii) does not give rise to equal taxable and deductible temporary differences;
2. Temporary differences arising from investments in subsidiaries, associates, and interests in joint ventures, where the Group is able to control the timing of the

reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future; and

3. Taxable temporary differences arising from the initial recognition of goodwill.

Deferred income tax assets are recognized for unused tax losses, unused income tax credits carried forward, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilized. They are reassessed at each reporting date and are reduced to the extent that the related income tax benefits are no longer probable of being realized, or reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred income tax is measured using the tax rates expected to apply when the temporary differences reverse, based on the tax rates enacted or substantively enacted at the reporting date, and reflecting uncertainties related to income taxes, if any.

The Group offsets deferred income tax assets and deferred income tax liabilities only when all of the following conditions are met:

1. The Company has a legally enforceable right to offset current income tax assets against current income tax liabilities; and
2. The deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on one of the following taxable entities:
   (1) The same taxable entity; or
   (2) Different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(XVIII) Business combinations

The Group accounts for each business combination using the acquisition method. Goodwill is measured as the fair value of the consideration transferred at the acquisition date, including the amount of any non-controlling interests in the acquiree, less the net amount (generally at fair value) of the identifiable assets acquired and liabilities assumed. If the resulting balance after the offset is negative, the Group shall reassess whether all acquired assets and assumed liabilities have been properly identified, and only then recognize the gain on a bargain purchase in profit or loss.

Except for those related to the issuance of debt or equity instruments, transaction costs associated with a business combination shall be recognized as expenses of the

Group as incurred.

For non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, the Group, on a transaction-by-transaction basis, elects to measure them either at fair value at the acquisition date or at the proportionate share of the recognized amounts of the acquiree's identifiable net assets represented by the present ownership instruments. Other non-controlling interests are measured at their fair value at the acquisition date or on another basis as prescribed by the International Financial Reporting Standards as endorsed by the Financial Supervisory Commission.

(XIX) Earnings per Share

The Group presents basic and diluted earnings per share attributable to holders of common shares of the Company. Basic earnings per share is calculated by dividing the profit or loss attributable to holders of common shares of the Group by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to holders of common shares of the Company and the weighted-average number of common shares outstanding for the effects of all dilutive potential common shares.

(XX) Segment information

Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). The operating results of all operating segments are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment has discrete financial information available.

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

When preparing these consolidated financial statements, management is required to make judgments and estimates about the future, including climate-related risks and opportunities, which affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from those estimates.

Management continuously reviews the estimates and underlying assumptions, which are consistent with the Group's risk management practices and climate-related commitments. Changes in estimates are recognized prospectively in the period of change and in future periods affected by such changes.

The following assumptions and uncertainties in estimates carry a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial year. The relevant information is as follows:

(I) Loss allowance for accounts receivable

The loss allowance for the Group's accounts receivable is estimated based on assumptions regarding default risk and expected loss rates. At each reporting date, the Group considers historical experience, current market conditions, and forward-looking estimates in determining the assumptions to be applied and the inputs to be selected for calculating impairment losses. For detailed information on the relevant assumptions and inputs, please refer to Note 6(4).

(II) Valuation of inventories

As inventories are measured at the lower of cost and net realizable value, the Group assesses, at the reporting date, the amount of inventories subject to normal loss, obsolescence, deterioration, or lack of market selling value, and writes down the cost of inventories to their net realizable value. This inventory valuation is primarily based on estimated product demand within a specific future period and may therefore be subject to material changes due to rapid changes in the industry. For information on the inventory valuation allowance, please refer to Note 6(5).

(III) Impairment assessment for goodwill

The assessment of goodwill impairment involves significant judgment by the Group, including the identification of cash-generating units, the allocation of goodwill to the relevant cash-generating units, and the determination of the recoverable amounts of those cash-generating units. For details of the goodwill impairment assessment, please refer to Note 6 (8).

VI. Details of significant accounts

(I) Cash and cash equivalents

	2025.12.31	2024.12.31
Vault cash and petty cash	$ 14	140
Checking accounts and demand deposits	1,543,371	1,542,852
Fixed-term deposits	-	279,887
	$ 1,543,385	**1,822,879**

For disclosures regarding the Group's interest rate risk and sensitivity analysis of financial assets and liabilities, please refer to Note 6 (23).

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

1. The details are as follows:

		2025.12.31	2024.12.31
Current:			
Financial assets mandatorily measured at fair value through profit or loss			
Currency forwards	$	376	43
Financial liabilities mandatorily measured at fair value through profit or loss			
Currency forwards	$	-	330
Contingent consideration		67,420	68,931
	$	67,420	69,261
Non-current:			
Financial liabilities mandatorily measured at fair value through profit or loss			
Contingent consideration	$	-	26,784

On June 12, 2023, the Group acquired 100% of the equity interests in MGN and deposited EUR 1,292 thousand into a third-party escrow account as the final payment, to ensure that both parties had fulfilled their obligations under the acquisition agreement. As of December 31, 2024, the amount was presented under other current assets. The escrow account was settled on January 7, 2025.

For the contingent consideration agreement based on the acquisition contract, during the three years starting from the date of acquisition, if the operating income and gross profit reach the set performance targets for MGN, TSC Auto ID Technology will only need to pay an additional PLN 14,000 thousand to the seller. Management of TSC Auto ID Technology considers this payment obligation to be highly probable.

The Group has disclosed information on credit, currency and interest rate exposures related to financial instruments in Note 6 (23).

2. The Group enters into derivative financial instrument transactions to hedge against foreign exchange risk arising from operating activities. As of December 31, 2025 and 2024, details of derivative instruments that were not designated for hedge accounting and were therefore classified as financial assets mandatorily measured at fair value through profit or loss and financial liabilities held for trading are as follows:

Forward exchange contracts

	2025.12.31		
	Notional amount	**Currency**	**Maturity**
Short forwards	EUR 3,000/NTD 110,950	Euro to NTD	2026.03.27

	2024.12.31		
	Notional amount	**Currency**	**Maturity**
Short forwards	USD 2,000/NTD 65,129	USD to NTD	2025.01.20 –2025.01.21
Short forwards	EUR 1,000/NTD 34,154	Euro to NTD	2025.01.20

(III) Financial assets measured at fair value through other comprehensive incomes

	2025.12.31	**2024.12.31**
Equity instrument measured at fair value through other comprehensive income		
Domestic TPEx-listed stocks	$ 823,536	849,072

The Group holds these equity instrument investments for long-term strategic purposes and not for trading; accordingly, they have been designated as measured at fair value through other comprehensive income.

(IV) Notes and accounts receivable

	2025.12.31	**2024.12.31**
Notes receivable	$ 69	-
Accounts receivable	1,865,747	1,847,554
Accounts receivable – affiliated parties	-	24
Less: allowance for losses	73,466	58,633
	$ 1,792,350	1,788,945

The Group applies the simplified approach to all notes receivable and accounts receivable in estimating expected credit losses, i.e. measuring loss allowance based on lifetime expected credit losses. For this purpose, such notes receivable and accounts receivable are grouped based on shared credit risk characteristics that represent the customers' ability to pay all amounts due in accordance with the contractual terms, and forward-looking information has been incorporated. The analysis of expected credit losses on the Group's notes receivable and accounts receivable is as follows:

	2025.12.31		
	Carrying amount of accounts receivable	**Weighted-average expected credit loss rate**	**Loss allowance for lifetime expected credit losses**
Not overdue	$ 1,455,391	1.08%	15,731
Past due within 1–90 days	285,678	1.00%	2,857
Past due 91–180 days	55,736	3.00%	1,672
Past due 181–270 days	15,427	5.00%	771
Past due 271–365 days	1,277	10.00%	128
Past due 365 and above	52,307	100.00%	52,307
	$ 1,865,816		73,466

	2024.12.31		
	Carrying amount of accounts receivable	**Weighted-average expected credit loss rate**	**Loss allowance for lifetime expected credit losses**
Not overdue	$ 1,369,204	0.88%	11,999
Past due within 1–90 days	399,486	1.00%	3,995
Past due 91–180 days	22,192	3.00%	666
Past due 181–270 days	12,949	5.00%	647
Past due 271–365 days	2,663	10.00%	266
Past due 365 and above	41,060	100.00%	41,060
	$ 1,847,554		58,633

The movement in the loss allowance for the Group's notes receivable and accounts receivable is as follows:

	2025	2024
Balance at the beginning of the period	$ 58,633	27,822
Impairment loss recognized (reversal of impairment loss)	16,779	(8,992)
Amount written off during the year due to uncollectibility	(1,499)	(3,084)
Acquisition through business combination (Note 6 (22))	-	43,849
Effect of exchange rate changes	(447)	(962)
Balance at the end of the period	**$ 73,466**	**58,633**

As of December 31, 2025 and 2024, none of the Group's notes receivable or accounts receivable had been discounted or pledged as collateral.

(V) Inventory

	2025.12.31	2024.12.31
Finished goods	$ 771,403	852,798
Semi-finished goods	694,963	424,752
Work in process	29,785	27,450
Raw materials	791,235	705,639
	$ 2,287,386	**2,010,639**

Details of cost of goods sold are as follows:

	2025	2024
Cost of goods sold	$ 7,790,440	6,034,165
Inventory devaluation loss	18,275	28,807
Total	**$ 7,808,715**	**6,062,972**

As of December 31, 2025 and 2024, none of the Group's inventories had been pledged as collateral.

(VI) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Other equipment	Construction in progress	Total
Cost or identified cost:						
Balance on January 1, 2025	$ 230,580	456,273	1,633,427	301,179	76,700	2,698,159
Additions	-	-	56,175	55,896	113,055	225,126
Disposal	-	-	(14,380)	(8,048)	-	(22,428)
Retirements	-	-	(8,361)	(36,047)	-	(44,408)
Others	-	55,639	160,383	12,226	(139,534)	88,714
Effect of exchange rate fluctuations	495	6,906	(10,699)	(6,025)	2,122	(7,201)
Balance on December 31, 2025	$ 231,075	518,818	1,816,545	319,181	52,343	2,937,962
Balance on January 1, 2024 (adjusted)	$ 230,461	449,411	1,151,251	227,576	63,651	2,122,350
Addition	-	-	25,907	15,412	71,879	113,198
Disposal	-	-	(82,445)	(13,160)	-	(95,605)
Acquisition through business combination (Note 6 (22))	101	1,890	387,115	60,657	3,712	453,475
Reclassification from prepayment for equipment purchase	-	-	20,743	-	44,395	65,138
Reclassification from (to) construction in progress	-	1,147	103,894	3,676	(108,997)	(280)
Effect of exchange rate fluctuations	18	3,825	26,962	7,018	2,060	39,883
Balance on December 31, 2024	$ 230,580	456,273	1,633,427	301,179	76,700	2,698,159
Depreciation:						
Balance on January 1, 2025	$ -	156,891	899,204	199,673	-	1,255,768
Depreciation for the year	-	12,583	128,945	24,972	-	166,500
Disposal	-	-	(9,119)	(8,020)	-	(17,139)
Retirements	-	-	(8,307)	(35,497)	-	(43,804)
Others	-	-	(82)	(273)	-	(355)
Effect of exchange rate fluctuations	-	1,312	(4,521)	(3,269)	-	(6,478)
Balance on December 31, 2025	$ -	170,786	1,006,120	177,586	-	1,354,492
Balance on January 1, 2024	$ -	143,584	557,935	144,682	-	846,201
Depreciation for the year	-	12,015	106,871	19,978	-	138,864
Disposal	-	-	(80,346)	(12,902)	-	(93,248)
Acquisition through business combination (Note 6 (22))	-	456	312,051	44,292	-	356,799
Effect of exchange rate fluctuations	-	836	2,693	3,623	-	7,152
Balance on December 31, 2024	$ -	156,891	899,204	199,673	-	1,255,768
Carrying amount:						
December 31, 2025	$ 231,075	348,032	810,425	141,595	52,343	1,583,470
January 1, 2024	$ 230,461	305,827	593,316	82,894	63,651	1,276,149
December 31, 2024	$ 230,580	299,382	734,223	101,506	76,700	1,442,391

For details of assets pledged as collateral for long-term borrowings as of December 31, 2025 and 2024, please refer to Note 8.

(VII) Right-of-use assets.

	Land	Buildings and structures	Machinery and equipment	Other equipment
Cost of right-of-use assets:				
Balance on January 1, 2025	$ 1,281,501	24,989	47,971	1,354,461
Additions	148,379	-	7,992	156,371
Decreases	(28,865)	-	(122)	(28,987)
Effect of exchange rate fluctuations	(28,299)	2,253	3,634	(22,412)
Balance on December 31, 2025	$ 1,372,716	27,242	59,475	1,459,433
Balance on January 1, 2024	$ 598,590	23,708	42,567	664,865
Additions	635,511	1,152	9,772	646,435
Decreases	-	-	(5,131)	(5,131)
Acquisition through business combination (Note 6 (22))	6,702	-	676	7,378
Effect of exchange rate fluctuations	40,698	129	87	40,914
Balance on December 31, 2024	$ 1,281,501	24,989	47,971	1,354,461
Accumulated depreciation of right-of-use assets:				
Balance on January 1, 2025	$ 629,546	8,951	37,323	675,820
Recognition of depreciation	146,894	2,717	7,119	156,730
Decreases	(21,734)	-	-	(21,734)
Effect of exchange rate fluctuations	(12,007)	992	3,195	(7,820)
Balance on December 31, 2025	$ 742,699	12,660	47,637	802,996
Balance on January 1, 2024	$ 480,758	6,215	29,591	516,564
Recognition of depreciation	121,127	2,598	7,809	131,534
Reclassification for the period	-	123	(123)	-
Effect of exchange rate fluctuations	27,661	15	46	27,722
Balance on December 31, 2024	$ 629,546	8,951	37,323	675,820
Carrying amount:				
December 31, 2025	$ 630,017	14,582	11,838	656,437
January 1, 2024	$ 117,832	17,493	12,976	148,301
December 31, 2024	$ 651,955	16,038	10,648	678,641

(VIII) Goodwill

		2025.12.31	2024.12.31
Cost			
Balance at the beginning of the period	$	1,945,645	1,261,280
Acquisition through business combination (Note 6 (22))		-	638,578
Effect of exchange rate fluctuations		(37,659)	45,787
Balance at the end of the period	$	1,907,986	1,945,645

Distribution of carrying amount of goodwill to the following cash generating units:

		2025.12.31	2024.12.31
Printer business group	$	880,700	918,669
Label business – DLS		202,177	210,893
Label business - MGN		223,997	204,252
Mobile devices business – brand, Bluebird		601,112	611,831
Total	$	1,907,986	1,945,645

The recoverable amounts of the above cash-generating units of the segments have been determined based on value in use. The value in use of the different businesses within the barcode printer segment is estimated based on the following key assumptions:

1. Printer business

   Use value is estimated based on the cash flow that the management of TSC Auto Id Technology has budgeted for the next 5 years; the discount rates (after tax) used in 2025 and 2024 were 13.7% and 15.6%, respectively.

   Cash flow of the printer business group estimated for the budget period also involved the following main assumptions:

   (1) Expected operating revenues and revenue growth: the management takes into account historical sales data, past experience producing barcode printers, forecast of the auto-identification systems industry, as well as future operating strategies and goals to estimate sales over the budget period.

   (2) Expected gross profit margin and operating profit margin: estimates were made based on past operating performance of the printer business group, while taking into consideration cost and expense improvements in the future.

2. Label business – DLS

   Use value is estimated based on the cash flow that the management of TSC Auto Id Technology has budgeted for the next 5 years; the discount rates (after tax) used in 2025 and 2024 were 11.1% and 13.7%, respectively.

Cash flow of the DLS brand estimated for the budget period also involved the following main assumptions:

(1) Expected operating revenues and revenue growth: the management takes into account historical sales data, demand for labels in the U.S. market, forecast of the label industry, as well as future operating goals to estimate sales over the budget period.

(2) Expected gross profit margin and operating profit margin: estimates were made based on past operating performance of the DLS brand, while taking into account resource integration and efficiency improvements in the future.

3. Label business - MGN

Use value is estimated based on the cash flow that the management of TSC Auto Id Technology has budgeted for the next 5 years; the discount rates (after tax) used in 2025 and 2024 were 12.1% and 14.0%, respectively.

Cash flow of the MGN brand estimated for the budget period also involved the following main assumptions:

(1) Expected operating revenues and revenue growth: the management takes into account historical sales data, demand for labels in the European market, forecast of the label industry, as well as future operating goals to estimate sales over the budget period.

(2) Expected gross profit margin and operating profit margin: estimates were made based on past operating performance of the MGN brand, while taking into account resource integration and efficiency improvements in the future.

4. Mobile devices business – brand, Bluebird

Use value is estimated based on the cash flow that the management of TSC Auto Id Technology has budgeted for the next 5 years; the discount rates (after tax) used in 2025 and 2024 were 10.53% and 20.5%, respectively.

Cash flow of the Bluebird brand estimated for the budget period also involved the following main assumptions:

(1) Expected operating revenues and revenue growth: the management takes into account historical sales data, demand for mobile devices in the South Korean market, forecast of the mobile device industry, as well as future operating goals to estimate sales over the budget period.

(2) Expected gross profit margin and operating profit margin: estimates were made based on past operating performance of the Bluebird brand, while taking into

account resource integration and efficiency improvements in the future.

(IX) Other intangible assets

	Customer relations	Software	Trademarks	Knowhow & technology	Patents	Others	Total
Cost or identified cost:							
Balance on January 1, 2025	$ 1,023,274	271,590	110,656	229,947	9,803	194,632	1,839,902
Acquisition by separate purchase	-	24,624	651	-	-	29,974	55,249
Effect of exchange rate fluctuations	(1,783)	1,675	(2,268)	(7,627)	(196)	(3,909)	(14,108)
Balance on December 31, 2025	$ 1,021,491	297,889	109,039	222,320	9,607	220,697	1,881,043
Balance on January 1, 2024	$ 584,881	206,674	135	153,644	50,607	-	995,941
Acquisition by separate purchase	-	20,981	67	-	-	3,285	24,333
Acquisition through business combination (Note 6 (22))	431,330	541	118,968	69,624	13,899	199,874	834,236
Reclassification from prepayment for equipment purchase	-	40,307	-	-	-	-	40,307
Disposal	-	(59)	(3,650)	-	(54,204)	(83)	(57,996)
Effect of exchange rate fluctuations	7,063	3,146	(4,864)	6,679	(499)	(8,444)	3,081
Balance on December 31, 2024	$ 1,023,274	271,590	110,656	229,947	9,803	194,632	1,839,902
Accumulated amortization:							
Balance on January 1, 2025	$ 300,372	174,726	8,488	148,013	9,723	125,573	766,895
Amortization for the period	67,278	40,432	20,402	27,468	72	27,334	182,986
Effect of exchange rate fluctuations	(8,955)	767	530	(6,090)	(193)	(2,388)	(16,329)
Balance on December 31, 2025	$ 358,695	215,925	29,420	169,391	9,602	150,519	933,552
Balance on January 1, 2024	$ 259,725	142,528	135	124,219	50,607	-	577,214
Amortization for the period	23,434	30,984	1,817	15,859	13	4,272	76,379
Acquisition through business combination (Note 6 (22))	-	-	10,530	-	13,802	126,787	151,119
Disposal	-	(59)	(3,630)	-	(54,204)	(83)	(57,976)
Effect of exchange rate fluctuations	17,213	1,273	(364)	7,935	(495)	(5,403)	20,159
Balance on December 31, 2024	$ 300,372	174,726	8,488	148,013	9,723	125,573	766,895
Carrying amount:							
December 31, 2025	$ 662,796	81,964	79,619	52,929	5	70,178	947,491
January 1, 2024	$ 325,156	64,146	-	29,425	-	-	418,727
December 31, 2024	$ 722,902	96,864	102,168	81,934	80	69,059	1,073,007

(X) Short-term loans

	2025.12.31	2024.12.31
Unsecured bank borrowings	$ 1,118,941	1,835,419
Secured bank borrowings	12,572	6,217
	$ 1,131,513	1,841,636
Unutilized facilities	$ 2,252,508	1,466,822
Interest rate range	1.79%~4.70%	1.77%~7.52%

For details of assets pledged by the Group as collateral for bank borrowings, please refer to Note 8.

For information on the Group's exposure to interest rate, foreign currency, and liquidity risks, please refer to Note 6 (22).

(XI) Long-term loans

	2025.12.31		
	Interest rate range (%)	**Maturity year**	**Amount**
Unsecured bank borrowings	1.79%~1.85%	117.06.19	$ 1,600,000
Secured bank borrowings (Note 1 and Note 2)	2.38%~3.87%	118.11.14	1,103,869
Subtotal			2,703,869
Less: portion due within one year			(276,921)
Less: unamortized balance			(6,174)
Total			**$ 2,420,774**
Unutilized facilities			**$ 300,000**

	2024.12.31		
	Interest rate range (%)	**Maturity year**	**Amount**
Unsecured bank borrowings	1.77%~1.88%	116.12.02	$ 540,000
Secured bank borrowings (Note 1 and Note 2)	2.37%~4.91%	118.11.14	2,011,009
Subtotal			2,551,009
Less: portion due within one year			(207,442)
Less: unamortized balance			(7,797)
Total			**$ 2,335,770**
Unutilized facilities			**$ 560,000**

For information on the Group's exposure to interest rate, foreign currency, and liquidity risks, please refer to Note 6 (22).

Note 1: The Company pledged the equity interest in BB acquired through the acquisition as collateral for the borrowing. This borrowing was used to finance the cash consideration required to be paid for the acquisition of BB and related expenses.

Note 2: For details of assets pledged by the Group as collateral for bank borrowings, please refer to Note 8.

(XII) Other payables

	2025.12.31	2024.12.31
Salaries payable	$ 298,434	259,307
Others	198,696	222,986
	$ 497,130	482,293

(XIII) Lease liabilities

The carrying amounts of the Group's lease liabilities are as follows:

	2025.12.31	2024.12.31
Current	$ 140,361	120,939
Non-current	$ 550,879	567,344

For the maturity analysis, please refer to Note 6(22) Financial Instruments.

Amounts recognized in profit or loss in respect of leases are as follows:

	2025	2024
Interest expense on lease liabilities	$ 46,204	30,395
Income from sublease of right-of-use assets	$ 4,391	10,540
Expense relating to short-term leases	$ 6,114	2,947
Expense relating to leases of low-value assets	$ 14,260	12,559

Amounts recognized in the statement of cash flows in respect of leases are as follows:

	2025	2024
Total cash outflow for leases	$ 195,054	150,203

The consolidated company leases buildings, transportation equipment and machinery equipment for offices, plants, company vehicles and daily operations, with lease periods of 1 to 11 years. For the offices and warehouses in the United States, it is agreed that the lease payment will be increased by 2.5% to 10.8% per year; in addition, the lease payment of the office in India will be adjusted by 4–5% per year.

(XIV) Employee benefit

1. Defined benefits

A reconciliation of the present value of the Company's defined benefit obligation and the fair value of plan assets is as follows:

		2025.12.31	2024.12.31
Present value of defined benefit obligations	$	22,488	19,729
Fair value of plan assets		(4,875)	(4,298)
Net defined benefit liability	**$**	**17,613**	**15,431**

The Company's defined benefit plan contributions are deposited into a labor pension reserve account with Bank of Taiwan. Retirement benefits for each employee covered by the Labor Standards Act are calculated based on the number of service years earned and the average salary over the six months prior to retirement.

(1) Composition of plan assets

The pension fund contributed by the Company in accordance with the Labor Standards Act is centrally managed by the Bureau of Labor Funds. In accordance with the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the minimum annual return distributed from the fund shall not be lower than the return calculated based on the two-year time deposit interest rate offered by local banks.

As of the reporting date, the balance in the Company's labor pension reserve account with Bank of Taiwan amounted to NT$4,875 thousand. Information on the utilization of the labor pension fund assets, including the fund's rate of return and asset allocation, is available on the website of the Bureau of Labor Funds.

(2) Movements in the present value of the defined benefit obligation

The movements in the present value of the Company's defined benefit obligation of 2025 and 2024 are as follows:

		2025	2024
Defined benefit obligation as of January 1	$	(19,729)	(20,574)
Service cost and interest for the period		(393)	(333)
Actuarial (losses) gains arising from experience adjustments		(1,717)	431
Actuarial (losses) gains arising from changes in financial assumptions		(649)	747
December 31, defined benefit obligation	**$**	**(22,488)**	**(19,729)**

(3) Changes in the fair value of plan assets

The changes in the fair value of the Company's defined benefit plan assets of 2025 and 2024 are as follows:

		2025	2024
Fair value of plan assets as of January 1	$	4,298	3,732
Interest income		87	62
– Return on plan assets (excluding interest income)		275	309
Employer's contribution		215	195
Fair value of plan assets as of December 31	**$**	**4,875**	**4,298**

(4) Expenses recognized in profit or loss

Details of expenses recognized by the Group of 2025 and 2024 are as follows:

		2025	2024
Net interest on the net defined benefit liability	**$**	**306**	**271**

Operating costs	$	113	101
Sales & marketing expenses		19	17
Administrative expenses		89	78
R&D expenses		85	75
Total	**$**	**306**	**271**

(5) Remeasurements of the net defined benefit liability recognized in other comprehensive income

		2025	2024
Accumulated balance as of January 1	$	(13,927)	(2,324)
Recognized during the period		(2,543)	(11,603)
Accumulated balance as of December 31	**$**	**(16,470)**	**(13,927)**

(6) Actuarial assumptions

The significant actuarial assumptions used by the Company at the reporting date to determine the present value of the defined benefit obligation are as follows:

	2025.12.31	2024.12.31
Discount rate	1.75%	2.00%
Future salary increases	2.50%	2.50%

The Company expects to contribute NT$306 thousand to the defined benefit plan within one year after the reporting date for the year 2025.

The Company's weighted-average duration of the defined benefit plan for the years 2025 and 2024 ranged from 12.99 to 18.24 years and from 13.37 to 19.19 years, respectively.

(7) Sensitivity analysis

The effects on the present value of the defined benefit obligation as of December 31, 2025 and 2024, resulting from changes in the principal actuarial assumptions, are as follows:

		Impact on the defined benefit obligation	
		0.25% increase	**0.25% decrease**
December 31, 2025			
Discount rate	$	(649)	674
Future salary increases		658	(636)
December 31, 2024			
Discount rate	$	(622)	648
Future salary increases		636	(614)

The above sensitivity analysis is based on the impact of changes in a single assumption, with all other assumptions held constant. In practice, changes in many assumptions may be interrelated. The sensitivity analysis is consistent with the methods used to measure the net defined benefit liability in the balance sheet.

The methods and assumptions used in preparing the sensitivity analysis for the current period are the same as those used in the prior period.

2. Defined contribution plans

The Company's defined contribution plan is in accordance with the provisions of the Labor Pension Act, under which contributions are made at a rate of 6% of employees' monthly salaries to individual pension accounts with the Bureau of Labor Insurance. Under this plan, once the Company makes fixed contributions to the Bureau of Labor Insurance, it has no legal or constructive obligation to pay additional amounts.

The Company's pension expenses under the defined contribution plan amounted to NT$13,233 thousand and NT$13,663 thousand for the years 2025 and 2024, respectively, which have been contributed to the Bureau of Labor Insurance.

3. Overseas subsidiaries adopt retirement plans in accordance with applicable local laws. Pension expenses recognized for the years ended 2025 and 2024 amounted to NT$88,306 thousand and NT$39,556 thousand, respectively.
4. A portion of BB's employee pensions relates to a defined benefit plan. As of December 30, 2025 and 2024, the net defined benefit asset amounted to NT$12,710 thousand and NT$5,753 thousand, respectively, and was presented under other non-current assets.

(XV) Income taxes

1. Income tax expense

Details of the Group's income tax expense for the years ended 2025 and 2024 are as follows:

	2025	2024
Current income tax expense		
Incurred during the period	$ 218,378	245,658
Tax on undistributed earnings	5,922	10,985
Adjustments to current income tax of prior periods	953	(3,367)
	225,253	253,276
Deferred income tax expense (gain)		
Origination of temporary differences	(41,279)	8,919
Changes in income tax rates	(2,705)	-
	$ 181,269	**262,195**

2. Details of the income tax (expense) benefit recognized by the Group in other comprehensive income for the years 2025 and 2024 are as follows:

	2025	2024
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	**$ 19,418**	**(17,219)**

Reconciliation of the relationship between the Group's income tax expense (gain) and profit before tax for the years ended 2025 and 2024 is as follows:

	2025	2024
Profits before tax	$ 1,117,832	934,411
Income tax calculated based on the statutory tax rate applicable in the jurisdiction where the Company is domiciled	$ 379,386	236,123
Increase/decrease from required adjustments	13,289	(12,294)
Effect of deferred income tax on overseas subsidiaries' earnings	-	31,273
Tax incentives	(44,840)	-
Changes in unrecognized temporary differences	(127,099)	(525)
Differences arising from prior years’ income tax estimates	(34,163)	(3,367)
Tax on undistributed earnings	5,922	10,985
Tax credit for income source from Mainland China	(11,226)	-
Income tax expense	$ 181,269	262,195

3. Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets

As of December 31, 2025 and 2024, the Group’s temporary differences were as follows:

	2025.12.31	2024.12.31
Deductible temporary differences	$ 73,700	16,559
Investment credit	$ 209,986	346,998

(2) Recognized deferred tax assets and liabilities

Below are changes in deferred income tax assets and liabilities:

Deferred income tax liabilities

	Share of profit recognized under the equity method	Tax and accounting differences of intangible assets	Difference in useful lives of plant and equipment	Others	Total
January 1, 2025	$ (356,859)	(178,874)	(123,502)	(103,615)	(762,850)
Recognized in profit or loss	(73,923)	3,376	(10,766)	42,963	(38,350)
Effect of exchange rate changes	(9)	1,046	2,086	6,735	9,858
December 31, 2025	$ (430,791)	(174,452)	(132,182)	(53,917)	(791,342)
January 1, 2024	$ (325,296)	(47,539)	(114,858)	(34,418)	(522,111)
Recognized in profit or	(31,273)	11,103	(1,497)	(30,108)	(51,775)

	Share of profit recognized under the equity method	Tax and accounting differences of intangible assets	Difference in useful lives of plant and equipment	Others	Total
loss					
Effect of exchange rate changes	13	5,595	(7,147)	688	(851)
Acquisition through business combination (Note 6 (22))	(303)	(148,033)	-	(39,777)	(188,113)
December 31, 2024	**$ (356,859)**	**(178,874)**	**(123,502)**	**(103,615)**	**(762,850)**

Deferred income tax assets

	Inventory devaluation loss	Exchange differences from foreign operations	Unrealized gross profit on sales	Loss carryforwards	Investment credit	Others	Total
January 1, 2025	$ 31,135	1,461	66,766	5,989	368,579	194,820	668,750
Recognized in profit or loss	8,667	-	(16,727)	(2,364)	121,901	(31,848)	79,629
Recognized in other comprehensive income	-	19,418	-	-	-	-	19,418
Effect of exchange rate changes	(3,198)	-	-	(269)	(8,743)	(1,137)	(13,347)
December 31, 2025	**$ 36,604**	**20,879**	**50,039**	**3,356**	**481,737**	**161,835**	**754,450**
January 1, 2024	$ 9,011	18,680	81,428	7,067	231,853	85,658	433,697
Recognized in profit or loss	(1,616)	-	(14,662)	(1,520)	20,891	39,763	42,856
Recognized in other comprehensive income	-	(17,219)	-	-	-	-	(17,219)
Effect of exchange rate changes	(747)	-	-	442	9,914	975	10,584
Acquisition through business combination (Note 6 (22))	24,487	-	-	-	105,921	68,424	198,832
December 31, 2024	**$ 31,135**	**1,461**	**66,766**	**5,989**	**368,579**	**194,820**	**668,750**

4. Income tax assessment

   The business income tax filings from the Company as profit-seeking enterprises up to 2023 have been assessed by the tax authorities.

5. As of December 31, 2025, the following information relates to the investment tax credits recognized by the U.S. subsidiary TSCAA in accordance with applicable U.S. tax laws:

Deduction items	Deductionable balance	Deductionable due
Research and development expenses		
Federal	$ 30,352	2035
State tax	251,154	No restriction
	$ 281,506	

6. As of December 31, 2025, the following information relates to the investment tax credits of the South Korean subsidiary BB:

Deduction items	Unutilized balance	Final year of utilization
Research and development expenditures	$ 374,625	2035
Others	18,782	2033-2035
	$ 393,407	

7. As of December 31, 2025, the following information relates to the tax loss carryforwards of the U.S. subsidiary DLS:

Jurisdiction	Unutilized balance	Final year of utilization
Illinois	$ 45,346	2039

(XVI) Capital and other equity

1. Share capital

As of December 31, 2025 and 2024, the authorized share capital was NT$800,000 thousand (of which NT$80,000 thousand was reserved for employee stock options). The paid-in capital amounted to NT$475,546 thousand and NT$473,791 thousand, respectively.

As of December 31, 2024, a total of 22.9 thousand shares of the Company's issued share capital had not yet been registered for change with the New Taipei City Government.

2. Capital surplus

		2025.12.31	2024.12.31
Stock issuance premium	$	522,841	501,374
Difference between the consideration received or paid and the carrying amount arising from the actual disposal or acquisition of equity interests in subsidiaries		-	1,984
Expired share options		123,244	123,244
Exercised employee stock options		68,592	63,466
Employee stock options		40,464	32,212
	$	755,141	722,280

As described in Note 6(8), the effects of changes in the Company's ownership interests in BB on equity attributable to owners of the parent are as follows:

Consideration paid to non-controlling interests	$	90,433
Carrying amount of non-controlling interests acquired		(73,505)
Capital surplus (deduction)-difference between the actual consideration for acquiring subsidiary interests and their carrying amount		(1,984)
Retained earnings (deduction) -difference between the actual consideration for acquiring subsidiary interests and their carrying amount	$	14,944

Retained earnings (deduction)－difference between the subsidiary's net asset value and the carrying amount of the investment in the subsidiary	$	22

3. Retained earnings

In accordance with the Company's Articles of Incorporation, if there is profit in the annual final accounts, the Company shall first pay taxes, offset prior years' losses, and then appropriate 10% as legal reserve; however, this requirement shall not apply once the legal reserve has reached the amount of the Company's paid-in capital. In addition, a special reserve shall be appropriated as required by the Company's operational needs and applicable laws and regulations. Any remaining earnings, together with the unappropriated retained earnings at the beginning of the period, shall be proposed by the Board of Directors for distribution and submitted to the shareholders' meeting for approval.

The Company is in a growth stage within its industry and expects to have plans for production line expansion and corresponding funding needs over the next several years. Accordingly, it adopts a residual dividend policy. Earnings are first retained to finance the required funds, and only the remaining earnings are distributed in the form of cash dividends. However, the total annual dividends distributed shall not be less than 10% of distributable earnings, of which cash dividends shall not be less than 10% of the total dividends declared for the year. Notwithstanding the foregoing, if the cash dividend per share is less than NT$0.2, no cash dividend shall be distributed and stock dividends shall be issued instead.

(1) Legal reserve

When the Company has no accumulated losses, it may, upon resolution of the shareholders' meeting, distribute the legal reserve in the form of new shares or cash; provided that such distribution is limited to the portion of the reserve exceeding 25% of the Company's paid-in capital.

(2) Special reserve

In accordance with the regulations of the securities authority, when distributing earnings, the Company shall appropriate a special reserve equal to the amount of any deductions from shareholders' equity recognized in the current year from distributable earnings, which shall not be distributed. When such deductions from shareholders' equity are subsequently reversed, the reversed portion may be available for distribution.

(3) Earnings distribution

The Company's appropriations of earnings for 2024 and 2023 were approved by the shareholders' meetings on June 17, 2025 and June 18, 2024, respectively. Details of dividends distributed to owners are as follows:

	2024		**2023**	
	Payout ratio (NT$)	**Amount**	**Payout ratio (NT$)**	**Amount**
Dividends distributed to owners of common shares:				
Cash	$ 9.98	**474,481**	13.00	**612,854**

On March 13, 2026, the Company's Board of Directors proposed the earnings distribution for 2025. The amounts of dividends to be distributed to owners are as follows:

	2025	
	Payout ratio (NT$)	**Amount**
Dividends distributed to owners of common shares:		
Cash	$ 10.00	$ 475,546

4. Other equity

	Exchange differences on translation of financial statements of foreign operations	**Unrealized gain (loss) of financial assets measured at fair value through other comprehensive incomes**	**Total**
Balance on January 1, 2025	$ (15,010)	249,194	234,184
Exchange differences arising from the translation of the net assets of foreign operations	(86,609)	-	(86,609)
Unrealized loss of financial assets measured at fair value through other comprehensive incomes	-	(25,536)	(25,536)
Balance on December 31, 2025	$ (101,619)	223,658	122,039
Balance on January 1, 2024	$ (83,887)	848,156	764,269
Exchange differences arising from the translation of the net assets of foreign operations	68,877	-	68,877
Unrealized loss of financial assets measured at fair value through other comprehensive incomes	-	(598,962)	(598,962)
Balance on December 31, 2024	$ (15,010)	249,194	234,184

(XVII) Shares-based payment

As of December 31, 2025, the Company had the following share-based payment transations:

Type	2023 Second employee stock option plan	2023 First employee stock option plan	2020 Second employee stock option plan
Grant date	2025.1.15	2023.8.1	2021.4.6
Number of units granted	145 units	855 units	57 units
Contract term	5 years	5 years	5 years
Grantees	Employees of the Company	Employees of the Company	Employees of the Company
Vesting period	Options become exercisable after two years in accordance with the cumulative exercisable proportion specified in the plan	Options become exercisable after two years in accordance with the cumulative exercisable proportion specified in the plan	Options become exercisable after two years in accordance with the cumulative exercisable proportion specified in the plan

1. Measurement parameters of fair value at the grant date

The Group uses the Black-Scholes option pricing model to estimate the grant-date fair value of share-based payment arrangements. The inputs to the model are as follows:

	2023 Second employee stock option plan	2023 First employee stock option plan	2020 Second employee stock option plan
Exercise price	200.00	241.00	217.50
Expected life of the options (years)	3.5~4.5	3.5~4.5	3.5~4.5
Expected volatility (%)	19.42%~19.85%	23.20%~23.82%	29.98%~31.14%
Risk-free interest rate (%)	1.49%~1.54%	1.05%~1.08%	0.26%~0.30%

2. Information on stock options

(Expressed in thousands of units)	2025 Number of options	2025 Weighted average exercise price (NT$)	2024 Number of options	2024 Weighted average exercise price (NT$)
Options outstanding at January 1	1,082.5	$130.0~227.3	1,366.0	137.9~241.0
Granted during the period	145.0	200.0	-	-
Exercised during the period	(175.5)	136.6	(238.5)	130.8
Expired during the period	(97.0)	130.1	(45)	239.5
Given up due to departure	(70.0)	227.30	-	-
Options outstanding at December 31	885.0	-	1,082.5	201.6
Exercisable stock options at the end of the period	740.00		265.75	
Expected weighted-average remaining contractual life (years)	0.26~5.00		0.50~3.62	

(XVIII) Revenue from contracts with customers

1. Disaggregation of revenue

	2025	2024
Main markets:		
Asia and other regions	$ 2,695,725	1,468,309
China	1,200,841	1,183,655
Americas	4,375,927	3,909,624
Europe	3,256,541	2,236,544
	$ 11,529,034	8,798,132
Key products		
Barcode printers and components	$ 4,856,514	4,779,440
Labels and printer consumables	3,735,784	3,492,089
Enterprise mobile computers	2,936,736	526,603
	$ 11,529,034	8,798,132

2. Contract balances

	2025.12.31	2024.12.31	2024.1.1
Notes and accounts receivable	$ 1,865,816	1,847,578	1,334,175
Less: allowance for losses	(73,466)	(58,633)	(27,822)
Total	$ 1,792,350	1,788,945	1,306,353

For disclosures of notes receivable, accounts receivable, and related impairment, please refer to Note 6(4).

According to the consolidated company's agreement with distributors, if the purchase of certain models by distributors reaches the contracted volume, the consolidated company will provide incentives at a percentage of the procurement value or retrospective unit price reductions for certain models. Based on past experiences and considering various agreement terms and conditions, the Group estimates the possible amount of rewards and incentives and recognizes refund liabilities (as other current liabilities) accordingly. As of December 31, 2025 and 2024, the Group estimates the refund liabilities to be NT$88,540 thousand and NT$99,003 thousand, respectively.

(XIX) Employee and director remuneration:

In accordance with the Company's Articles of Incorporation as amended on June 17, 2025, if the Company records a profit for the year, it shall appropriate 2% to 10% thereof as employee remuneration, of which at least 1% shall be distributed to rank-and-file employees. The Board of Directors may decide to distribute employee remuneration in shares or in cash. Remuneration can be distributed to employees of controlled or subordinate companies that meet certain criteria, and the Board of Directors is authorized to determine these criteria. The Company may, by resolution of the Board of Directors, appropriate no more than 5% of the aforementioned profit as directors' remuneration. The proposal for distribution of employees' remuneration and directors' remuneration should be reported to the shareholders' meeting. In case of accumulated losses, profits should be used to offset the losses before distributing the aforesaid percentage as employees' remuneration and directors' remuneration.

Under the Company's Articles of Incorporation prior to amendment, in case of profits during the year, the Company shall allocate at least 2% but no more than 10% of the profits as employees' remuneration. The employees' remuneration is issued in cash or wish shares according to the decision by the Board of Directors. Eligible employees include the employees working for controlled or subordinated companies and meeting certain criteria defined by the Board of Directors. The Company may allocate up to 5% of the abovementioned profits as directors' remunerations according to the decision by the Board of Directors. The proposal for distribution of employees' remuneration and directors' remuneration should be reported to the shareholders' meeting. However, profits must first be retained to offset cumulated losses, if any. The remaining balance can then be allocated for employee remuneration and director remuneration at the above percentages.

For the years 2025 and 2024, the Company accrued employee remuneration of NT$62,811 thousand (including remuneration for rank-and-file employees) and NT$45,030 thousand, respectively, and directors' remuneration of NT$31,406 thousand and NT$22,515 thousand, respectively. These amounts were estimated based on the Company's profit before tax for each respective period, prior to deduction of employee and directors' remuneration, multiplied by the distribution percentages stipulated in the Company's Articles of Incorporation. The accrued amounts were recognized as cost of sales or operating expenses for the years 2025 and 2024. The amounts of employee and directors' remuneration resolved by the aforementioned Board of Directors are consistent with the amounts accrued in the Company's consolidated financial statements for the years ended 2025 and 2024.

(XX) Non-operating incomes and expenses

1. Interest income

	2025	2024
Interest income from bank deposits	$ 22,477	16,983

2. Other incomes

	2025	2024
Dividend income	$ 32,288	31,920
Lease income	4,391	10,578
Others	21,260	20,376
	$ 57,939	62,874

3. Other gains and losses

	2025	2024
Loss on disposal and scrapping of property, plant, and equipment	$ (243)	(1,500)
Loss on lease modification	(2,051)	(7)
Gains on foreign currency exchange	61,876	65,527
Loss from financial instruments measured at fair value through profit or loss	(4,474)	(27,745)
Others	(9,797)	(4,668)
	$ 45,311	31,607

4. Financial cost

		2025	2024
Interest expense	$	(105,370)	(63,324)
Lease liability interests		(40,266)	(30,395)
	$	**(145,636)**	**(93,719)**

(XXI) Earnings per share

1. Basic earnings per share

		2025	2024
Net income attributable to holders of common shares of the Company	**$**	**932,651**	**669,957**
Weighted average outstanding common shares (thousand shares)		**47,503**	**47,222**
Basic EPS (NT$)	**$**	**19.63**	**14.19**

2. Diluted earnings per share

		2025	2024
Net profit for the period used in the calculation of diluted earnings per share	**$**	**932,651**	**669,957**

		2025	2024
Weighted average outstanding common shares (thousand shares)		47,503	47,222
Effects of dilutive potential ordinary shares			
Employee stock options		16	177
Impact of employee share-based remuneration		352	277
Weighted average number of common shares outstanding (after adjustment for the effects of dilutive potential common shares)		**47,871**	**47,676**
Diluted earnings per share (NT$)	**$**	**19.48**	**14.05**

(XXII) Business combinations

1. Acquisition of business activities from subsidiaries

	Principal activities	Acquisition date	Ownership interest with voting rights / acquisition percentage	Consideration transferred
BB (Note 1)	Manufacturing and sales of enterprise handheld computers and components	2024.11.20	96.54%	$ 2,783,490

Note 1: To provide customers with comprehensive automatic identification system solutions and enhance the Group's overall market share and brand competitiveness, TSC Auto Id Technology acquired a 96.54% equity interest in BB in November 2024. The initial purchase consideration amounted to KRW 118,740,223 thousand (approximately NT$2,783,490 thousand).

2. Consideration transferred

	BB
Cash	$ 2,771,997
Payable – final payment for acquisition (Note 1)	11,493
	$ 2,783,490

Note 1: As of December 31, 2024, TSC Auto ID Technology had an outstanding balance of acquisition consideration payable (KRW 520,000 thousand), which was fully settled on January 7, 2025.

3. Fair value of assets acquired and liabilities borne on acquisition date

	BB
Current assets	
Cash and Cash Equivalents	$ 401,732
Accounts receivable	444,793
Other receivables	42,725
Inventory	743,132
Prepayments	68,452
Income tax assets during the current period	596
Other current assets	32,325

		BB
Non-current assets		
Property, plant and equipment (including construction in progress of NT$3,712 thousand)	$	96,676
Right-of-use assets		7,348
Intangible assets		251,787
Customer relations		431,330
Deferred income tax assets		198,832
Other financial assets		24,796
Current liabilities		
Accounts payable	$	(125,471)
Other payables		(59,743)
Lease liabilities		(7,977)
Other current liabilities		(135,937)
Non-current liabilities		
Deferred income tax liabilities	$	(188,113)
Lease liabilities		(390)
Accrued pension liability		(567)
Other non-current liabilities		(4,454)
	$	2,221,872

4. Goodwill derived from acquisition

		BB
Consideration transferred	$	2,783,490
Add: Non-controlling interests (3.46% ownership interest in BB)		76,874
Add: Non-controlling interests (1% ownership interest in BBIN)		86
Less: fair value of net identifiable assets acquired		(2,221,872)
Goodwill derived from acquisition (Note 6 (8))	$	638,578

Goodwill from the acquisition of BB mainly represents control premium. Furthermore, the amount of consideration paid for the acquisition includes the Company's expectations with respect to synergy, revenue growth and future market development, and the employee value.

For goodwill arising from the merger, it is expected that it cannot be used a tax deductible item.

5. Net cash outflow for acquisition of subsidiaries

	BB
Consideration paid in cash	$ 2,771,997
Less: cash balance acquired	(401,732)
	$ 2,370,265

6. Effect of business combination on operating performance

Business performance of acquired companies since the acquisition date (November 20, 2024) is explained below:

	BB
Operating incomes	$ 526,603
Profit before tax	$ 88,361

Had the acquisition of BB in November 2024 occurred on January 1, 2024, the pro forma revenue of TSC Auto ID Technology for the period from January 1 to December 31, 2024 would have been NT$10,719,684 thousand, and the pro forma profit before tax would have been NT$1,320,169 thousand.

These figures do not represent the actual amount of revenues or business outcome that TSC Auto ID Technology would have generated if the business combination had been completed at the beginning of the same year, and should not be considered a forecast of future business outcome.

(XXIII) Financial instruments

1. Credit risks

(1) Maximum exposure to credit risk

The carrying amount of financial assets and contract assets represents the maximum exposure to credit risk.

(2) Concentration of credit risk

The top ten customers accounted for 38% and 37% of the Group’s operating incomes in 2025 and 2024. To lower the credit risks, the Group periodically assesses the financial statuses of customers and the recoverability of accounts receivable and recognizes appropriate allowance for losses accordingly.

(3) Credit risk of receivables and debt securities

For information on credit risk exposure relating to notes and accounts receivable, please refer to Note 6 (4).

2. Liquidity risk

The contractual maturities of financial liabilities are presented below, including estimated interest but excluding the effects of netting arrangements.

		Carrying amount	Contractual cash flows	1 year	1-2 years	2-5 years	Over 5 years
December 31, 2025							
Non-derivative financial liabilities							
Short-term loans	$	1,131,513	1,134,394	1,134,394	-	-	-
Accounts payable		904,427	904,427	904,427	-	-	-
Other payables		497,130	497,130	497,130	-	-	-
Long-term borrowings (including those due within one year)		2,697,695	2,868,360	342,223	623,015	781,547	1,121,575
Lease liabilities		691,240	762,829	163,227	188,743	348,876	61,983
	$	**5,922,005**	**6,167,140**	**3,041,401**	**811,758**	**1,130,423**	**1,183,558**
December 31, 2024							
Non-derivative financial liabilities							
Short-term loans	$	1,841,636	1,849,084	1,849,084	-	-	-
Accounts payable		709,006	709,006	709,006	-	-	-
Other payables		482,293	482,293	482,293	-	-	-
Long-term borrowings (including those due within one year)		2,543,212	2,744,742	257,668	386,509	2,100,565	-
Lease liabilities		688,283	830,567	163,947	171,037	471,077	24,506
	$	**6,264,430**	**6,615,692**	**3,461,998**	**557,546**	**2,571,642**	**24,506**

The Group does not expect the timing of the cash flows in the maturity analysis to occur significantly earlier, nor does it expect the actual amounts to differ significantly.

3. Exchange rate risks

(1) Exposure to foreign exchange risk

The Group's financial assets and liabilities exposed to significant foreign exchange risk are as follows:

	2025.12.31			2024.12.31		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial Assets						
Monetary items						
USD	$ 47,751	31.4000	1,500,814	37,153	32.7850	1,218,061
Euro	32,914	36.9000	1,214,527	31,547	34.1400	1,077,015
CNY	58,200	4.4960	261,667	38,045	4.4780	170,366
GBP	323	42.3300	12,796	239	41.1900	9,844
JPY	114,970	0.2008	23,086	40,315	0.2100	8,466
Total	$ 254,158		3,012,890	147,299		2,483,752
Financial Liabilities						
Monetary items						
USD	$ 15,976	31.4000	502,126	20,466	32.7850	670,978
Euro	18,787	36.9000	693,240	24,084	34.1400	822,228
CNY	97,454	4.4960	438,153	70,657	4.4780	316,402
JPY	273,499	0.2008	54,919	268,602	0.2100	56,406
Total	$ 405,716		1,688,438	383,809		1,866,014

(2) Sensitivity analysis

The Group's foreign exchange risk on monetary items primarily arises from financial assets and financial liabilities that are denominated in foreign currencies, resulting in foreign exchange gains or losses upon translation. As of December 31, 2025 and 2024, if the New Taiwan dollar had depreciated or appreciated by 3% against the U.S. dollar, euro, and Japanese yen, with all other variables held constant, the Company's net profit after tax for the years 2025 and 2024 would have increased or decreased by NT$31,786 thousand and NT$14,825 thousand, respectively. The analyses for both periods are based on the same basis.

(3) Exchange gains or losses on monetary items

As the Group has multiple functional currencies, exchange gains or losses on monetary items are disclosed on an aggregated basis. For the years 2025 and 2024, foreign exchange gains (including both realized and unrealized) amounted to NT$61,876 thousand and NT$65,527 thousand, respectively.

4. Interest rate risk

The Group's exposure to interest rate risk for financial assets and financial liabilities is described in the liquidity risk management section of this note.

The following sensitivity analysis is determined based on the interest rate exposure of both derivative and non-derivative instruments at the reporting date. For variable-rate liabilities, the analysis is prepared assuming that the amount of liabilities outstanding at the reporting date remains outstanding throughout the entire year. The change in interest rates used by the Group in its internal reporting to key management personnel is an increase or decrease of 1%, which also represents management's assessment of a reasonably possible change in interest rates.

If interest rates had increased or decreased by 1%, with all other variables held constant, the Group's profit after tax for the years 2025 and 2024 would have decreased or increased by NT$30,633 thousand and NT$35,078 thousand, respectively, mainly attributable to the Group's variable-rate borrowings.

5. Other price risks

If the prices of equity securities had changed at the reporting date (with both periods analyzed on the same basis and assuming all other variables remain constant), the effects on the components of comprehensive income would have been as follows:

	2025		**2024**	
Securities prices at the reporting date	**Other comprehensive income, net of tax**	**Profit or loss, net of tax**	**Other comprehensive income, net of tax**	**Profit or loss, net of tax**
Increase by 1%	$ 8,235	-	8,491	-
Decrease by 1%	$ (8,235)	-	(8,491)	-

6.

7. Fair value information

(1) Categories and fair value of financial instruments

Financial assets and liabilities of the Group measured at fair value through profit or loss, financial assets and liabilities designated for hedging, and financial assets measured at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amounts and fair values of each category of financial assets and financial liabilities (including information on the fair value hierarchy, but excluding those financial instruments whose carrying amounts are reasonable approximations of fair value and lease liabilities, for which disclosure of fair value information is not required) are presented as follows:

	2025.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Derivative financial assets	$ 376	-	376	-	376
Financial assets measured at fair value through other comprehensive incomes					
Domestic TPEx-listed stocks	$ 823,536	823,536	-	-	823,536

	2025.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and Cash Equivalents	$ 1,543,385	-	-	-	-
Notes and accounts receivable	1,792,350	-	-	-	-
Other receivables	57,800	-	-	-	-
Subtotal	3,393,535	-	-	-	-
Total	$ 4,217,447	823,536	376	-	823,912
Financial liabilities measured at fair value through profit or loss					
Contingent consideration	$ 67,420	-	-	67,420	67,420
Financial liabilities measured at amortized cost					
Accounts payable	$ 904,427	-	-	-	-
Other payables	497,130	-	-	-	-
Lease liabilities	691,240	-	-	-	-
Bank borrowings	3,829,208	-	-	-	-
Subtotal	5,922,005	-	-	-	-
Total	$ 5,989,425	-	-	67,420	67,420

	2024.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Derivative financial assets	$ 43	-	43	-	43
Financial assets measured at fair value through other comprehensive incomes					
Domestic TPEx-listed stocks	$ 849,072	849,072	-	-	849,072
Financial assets measured at amortized cost					
Cash and Cash Equivalents	$ 1,822,879	-	-	-	-
Notes and accounts receivable	1,788,945	-	-	-	-
Other receivables	57,166	-	-	-	-
Subtotal	3,668,990	-	-	-	-
Total	$ 4,518,105	849,072	43	-	849,115

	2024.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value through profit or loss					
Derivative financial liabilities	$ 330	-	330	-	330
Contingent consideration	95,715	-	-	95,715	95,715
Subtotal	96,045	-	330	95,715	96,045
Financial liabilities measured at amortized cost					
Notes payable and accounts payable	$ 709,006	-	-	-	-
Other payables	482,293	-	-	-	-
Lease liabilities	688,283	-	-	-	-
Bank borrowings	4,384,848	-	-	-	-
Subtotal	6,264,430	-	-	-	-
Total	$ 6,360,475	-	330	95,715	96,045

(2) Valuation techniques for fair value measurement

The methods and assumptions applied by the Group in estimating the fair value of financial instruments not measured at fair value are as follows:

A. Financial assets measured at amortized cost

If there is a quoted price in an active market, such price is used as the fair value; if no market price is available for reference, valuation techniques are applied or counterparty quotations are used to estimate the fair value.

B. Financial assets and liabilities measured at amortized cost

If transaction prices or market maker quotes are available, the fair value is measured based on the most recent transaction prices and quote data. In the absence of market values for reference, valuation techniques are used to estimate fair value. Estimates and assumptions used in the valuation techniques involve using the discounted cash flow method to estimate fair value.

(3) Valuation techniques for financial instruments measured at fair value

A. Non-derivative financial instruments

If a financial instrument has a quoted price in an active market, the quoted price in the active market is used as the fair value. Quoted market prices from major exchanges and those announced by the Taipei Exchange for central government bonds assessed as actively traded are used as the basis for determining the fair value of TWSE/TPEx listed equity instruments and debt instruments with quoted prices in active markets.

Except for the financial instruments with active markets described above, the fair values of the remaining financial instruments are determined using valuation techniques or by reference to counterparty quotations. The fair values obtained through valuation techniques may be determined by reference to the current fair value of other financial instruments with substantially similar terms and characteristics, discounted cash flow methods, or other valuation techniques, including model-based calculations using market information available at the consolidated reporting date (such as the Taipei Exchange reference yield curve and Reuters average commercial paper rates).

B. Derivative financial instruments

These are measured using valuation models widely accepted by market participants, such as the discounted cash flow method and option pricing models. Forward foreign exchange contracts are generally valued based on current prevailing forward exchange rates.

(4) Transfers between Level 1 and Level 2

There were no transfers between levels in the fair value hierarchy for the Group’s fair value measurements during the years 2025 and 2024.

(5) Quantitative information on fair value measurements using significant unobservable inputs (Level 3)

The Group’s fair value measurement categorized within Level 3 relates to financial liabilities measured at fair value through profit or loss – contingent consideration arising from business combinations.

Most of the Group's fair value measurements categorized within Level 3 involve only a single significant unobservable input; only investments in equity instruments without an active market involve multiple significant unobservable inputs. For investments in equity instruments without an active market, the significant unobservable inputs are independent of each other and therefore are not interrelated.

The quantitative information on significant unobservable inputs is presented below:

Item	**Valuation techniques**	**Significant unobservable inputs**	**Relationship between significant unobservable inputs and fair value**
Contingent consideration agreement	Options pricing model	·Volatility, risk-free interest rate, risk-adjusted discount rate, and remaining term	·The higher the net asset value, the higher the fair value

(XXIV) Financial risk management

1. Overview

   The Group is exposed to the following risks arising from the use of financial instruments:

   (1) Credit risks

   (2) Liquidity risks

   (3) Market risks

   This note presents information about the Group's exposure to the above risks, as well as the Group's objectives, policies, and processes for measuring and managing such risks. For further quantitative disclosures, please refer to the relevant notes to the consolidated financial statements.

2. Risk management framework

   The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. It is responsible for developing and controlling the Group's risk management policies and regularly reports to the Board on its operations.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor adherence to such risks and limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's operations. Through training, management guidelines, and operating procedures, the Group seeks to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the Group's risk management framework in relation to the risks faced. Internal auditors assist the Group's Audit Committee in performing its oversight responsibilities. These personnel conduct both regular and ad hoc reviews of risk management controls and procedures, and report the results of such reviews to the Audit Committee.

3. Credit risks

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(1) Accounts receivable

The Group has established a credit policy under which each new customer is individually analyzed for creditworthiness before standard payment and delivery terms and conditions are offered. The Group's review includes, where available, external credit ratings and, in some cases, bank references. Credit limits are established for each customer and represent the maximum outstanding amount without requiring approval from the Risk Management Committee. These limits are reviewed periodically. Customers that do not meet the Group's standard credit rating criteria are permitted to transact with the Group only on a prepayment basis.

For sales of goods subject to retention clauses, the Group retains a security interest in the goods until payment is received. The Group does not require collateral for accounts receivable and other receivables.

(2) Investments

The credit risk of bank deposits, fixed-income investments, and other financial instruments is measured and monitored by the Group's finance department. As the Group's counterparties and obligors are banks with sound credit standing and financial institutions, corporate entities, and government agencies with investment-grade or higher ratings, there are no significant concerns regarding their performance; accordingly, the Company is not exposed to significant credit risk.

(3) Guarantees

The Group's policy stipulates that financial guarantees may only be provided to wholly owned subsidiaries. As of December 31, 2025 and 2024, the Group had not provided any endorsements or guarantees to non-related parties.

4. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to support operations and mitigate the impact of cash flow volatility. The Group's management monitors the utilization of bank credit facilities and ensures compliance with the terms of borrowing agreements.

Bank borrowings constitute an important source of liquidity for the Group. As of December 31, 2025 and 2024, the Group's unused short-term bank credit facilities amounted to NT$2,252,508 thousand and NT$1,662,984 thousand, respectively.

5. Market risks

Market risk refers to the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity instrument prices, will affect the Group's income or the value of its financial instruments. The objective of market risk management is to control the Company's exposure to market risk within an acceptable level and to optimize investment returns.

To manage market risk, the Group engages in derivative transactions, which give rise to financial liabilities. All transactions are executed in accordance with the guidelines of the Risk Management Committee. In general, the Group adopts hedge accounting to manage fluctuations in profit or loss.

(1) Foreign exchange risks

For the Company's exposure to foreign exchange risk, please refer to Note 6 (22) 3. (1).

(2) Interest rate risks

The Group's policy is to ensure that its exposure to changes in borrowing interest rates is maintained on a fixed-rate basis.

(3) Other market price risks

The Group is exposed to equity price risk arising from investments in TWSE/TPEx listed equity securities. Such equity investments are not held for trading purposes but are classified as strategic investments. The Group does not actively trade these investments; management manages the risk by maintaining a diversified portfolio with different risk profiles. In addition, the Group has designated a specific team to monitor price risk and assess when it is necessary to increase hedging positions for the risks being hedged.

(XXV) Capital management

The capital management of the consolidated company intends to protect the going concern capability, continue to create shareholder returns and other stakeholders' interest, maintain the optimal capital structure and reduce the cost of capital.

To maintain or adjust the capital structure, the Group may adjust dividends paid to shareholders, return capital to shareholders through capital reductions, issue new shares, or dispose of assets to settle liabilities.

Consistent with industry practice, the Group manages its capital based on the debt-to-capital ratio. This ratio is calculated as net debt divided by total capital. Net debt is defined as total liabilities as presented in the balance sheet less cash and cash equivalents. Total capital comprises all components of equity (i.e., share capital, capital surplus, retained earnings, and other equity) plus net debt.

For 2025, the Group's capital management strategy remained consistent with that of 2024, maintaining the debt-to-capital ratio at no more than 60% to ensure the ability to obtain financing at a reasonable cost. The debt-to-capital ratios as of December 31, 2025 and 2024 were as follows:

	2025.12.31	**2024.12.31**
Total liabilities	$ 7,255,124	7,604,584
Less: Cash and cash equivalents	1,543,385	1,822,879
Net debt	**$ 5,711,739**	**5,781,705**

	2025.12.31	2024.12.31
Total equity	$ 5,394,747	5,101,279
Total capital	$ 11,106,486	10,882,984
Debt-to-capital ratio	51.43%	53.13%

(XXVI) Non-cash investing and financing activities

The Group's non-cash investing and financing activities for the years ended 2025 and 2024 were as follows:

The reconciliation of liabilities arising from financing activities is presented in the table below:

			Non-cash changes		
	2025.1.1	Cash flow	Foreign exchange differences	Others	2025.12.31
Short-term loans	$ 1,841,636	(715,737)	5,614	-	1,131,513
Long-term loans	2,543,212	153,518	965	-	2,697,695
Lease liabilities	688,283	(174,680)	(17,368)	195,005	691,240
Deposits received	1,970	-	(639)	-	1,331
Total liabilities from financing activities	$ 5,075,101	(736,899)	(11,428)	195,005	4,521,779

			Non-cash changes		
	2024.1.1	Cash flow	Foreign exchange differences	Others	2024.12.31
Short-term loans	$ 671,395	1,168,160	2,081	-	1,841,636
Long-term loans	620,029	1,923,304	153	(274)	2,543,212
Lease liabilities	137,157	(104,302)	13,671	641,757	688,283
Deposits received	1,971	(89)	88	-	1,970
Total liabilities from financing activities	$ 1,430,552	2,987,073	15,993	641,483	5,075,101

VII. Affiliated party transactions

(I) Parent company and ultimate controlling party

Taiwan Semiconductor Co., Ltd. is the Group's parent company and the ultimate controlling party of the Group. As of December 31, 2025 and 2024, it held 35.74% and 35.87%, respectively, of the Group's outstanding common shares and has prepared financial statements available for public use.

(II) Names of affiliated parties and their relationships

The affiliated parties that had transactions with the Group during the periods covered by these consolidated financial statements are as follows:

Name of the affiliated party	Relation with the consolidated company
Taiwan Semiconductor Co., Ltd. (TSC)	The Company's parent
Tianjin Everwell Technology Co., Ltd. (Tianjin Everwell)	Affiliated company
Yangxin Everwell Electronic Co., Ltd. (Yangxin Everwell)	Affiliated company
TSC America, Inc. (TSCA)	Affiliated company
Taiwan Semiconductor Europe GmbH (TSCE)	Affiliated company

(III) Significant transactions with affiliated parties

1. Operating revenue

The Group's significant sales to affiliated parties were as follows:

Itemized account	Affiliated party category/name	2025	2024
Revenues	Parent company	$ -	8
	Affiliated company	147	64
		$ 147	**72**

Sales to affiliated parties are conducted under terms that are not significantly different from those of normal sales transactions.

2. Purchase

The amounts of purchases by the Group from affiliated parties are as follows:

Affiliated party category/name	2025	2024
Parent company	$ 109	104

The Group's purchase prices and 120-day payment terms with the abovementioned affiliated parties are not significantly different from the terms with other suppliers.

3. Dividend income

The Group's dividend income from affiliated parties is as follows:

Affiliated party category/name	2025	2024
Parent company	$ 32,288	31,920

4. Receivables from affiliated parties

Details of the Group's receivables from affiliated parties are as follows:

Itemized account	Affiliated party category/name	2025.12.31	2024.12.31
Accounts receivable	Affiliated company	$ 16	24
Other receivables	Affiliated company	2,250	1,770
		$ 2,266	1,794

5. Payables to affiliated parties

Details of the Group's payables to affiliated parties are as follows:

Itemized account	Affiliated party category/name	2025.12.31	2024.12.31
Accounts payable	Parent company	$ 12	8

Other related party transactions

Itemized account	Affiliated party category/name	2025	2024
Lease income	Affiliated company	$ 2,232	2,184

(IV) Transactions with key management personnel

Key management personnel remuneration includes:

	2025	2024
Shor-term employee benefits	$ 112,121	88,492
Retirement benefits	17,592	791
Shares-based payment	5,177	5,281
	$ 134,890	**94,564**

For details of share-based payment arrangements, please refer to Note 6 (17).

VIII. Pledged assets

Except as disclosed in Note 6 (11), the carrying amounts of the Group's assets pledged as collateral are as follows:

Asset name	Object of pledge	2025.12.31	2024.12.31
Land	Bank borrowings	$ 5,640	5,143
Property, plant and equipment	Bank borrowings	64,561	51,835
Machinery and equipment	Bank borrowings	-	25,074
		$ 70,201	**82,052**

IX. Material contingent liabilities and unrecognized contractual commitments

In accordance with customs regulations, the Company provides bank-guaranteed letters of guarantee to facilitate the release of imported goods prior to tax. The amount of such customs guarantees was NT$4,000 thousand as of December 31, 2025 and December 31, 2024.

X. Major disasters and significant losses: none.

XI. Major events after the reporting period

The Group announced on January 5, 2023 that it would acquire all the shares of TSCPL for NT$8,754 thousand. The transaction was approved by the Group's shareholders and the relevant authorities, and was registered with the Polish court and became effective on February 27, 2026.

XII. Others

(I) Summary of current employee welfare, depreciation, and amortization expenses by function

By function / By nature	2025			2024		
	Presented as operating cost	Presented as operating expense	Total	Presented as operating cost	Presented as operating expense	Total
Employee benefit expenses						
Salary expenses	625,216	1,354,841	1,980,057	595,945	965,024	1,560,969
Labor/health insurance premium	65,782	84,752	150,534	75,700	87,845	163,545
Pension expenses	37,930	63,915	101,845	25,733	27,757	53,490
Other employee benefit expenses	44,504	65,987	110,491	42,842	35,639	78,481
Depreciation expense	233,061	90,169	323,230	207,827	62,590	270,417
Amortization expenses	1,297	181,689	182,986	1,450	74,929	76,379

XIII. Supplementary disclosure

(I) Information on significant transactions:

For the year 2025, the Group is required, in accordance with the governing regulations, to further disclose information on material transactions as follows:

1. Loans to others:

Unit: NT$ thousand

Serial no. (Note 1)	Financing company	Counter-party	Account title	Related party	Maximum amount during the period	Balance at the end of the period	Amount actually drawn	Interest rate range	Nature for financing	Transaction amounts	Reason for need for short-term financing	Recognized allowance for losses	Collateral		Financing limits for each borrowing party (Note 2)	Total financing amount Limits (Note 3)
													Name	Value		
0	TSC Auto ID	TSCAE	Other receivables-affiliated parties	Yes	36,900	-	-	5.00%	2	-	Operating capital	-	None	-	1,077,785	2,155,570
0	TSC Auto ID	TSCAE	Other receivables-affiliated parties	Yes	184,500	-	-	5.00%	2	-	Operating capital	-	None	-	1,077,785	2,155,570
0	TSC Auto ID	MGN	Other receivables-affiliated parties	Yes	221,400	221,400	197,969	3.00%	2	-	Operating capital	-	None	-	1,077,785	2,155,570
0	TSC Auto ID	MGN	Other receivables-affiliated parties	Yes	221,400	221,400	-	3.00%	2	-	Operating capital	-	None	-	1,077,785	2,155,570
0	TSC Auto ID	MGN	Other receivables-affiliated parties	Yes	221,400	221,400	-	3.00%	2	-	Operating capital	-	None	-	1,077,785	2,155,570
0	TSC Auto ID	TSCPL	Other receivables-affiliated parties	Yes	70,110	70,110	33,210	5.00%	2	-	Operating capital	-	None	-	1,077,785	2,155,570
1	BB	BBDE	Other receivables-affiliated parties	Yes	3,690	-	-	4.60%	2	-	Operating capital	-	None	-	426,919	853,835
1	BB	BBDE	Other receivables-affiliated parties	Yes	3,690	-	-	4.60%	2	-	Operating capital	-	None	-	426,919	853,835
1	BB	BBES	Other receivables-affiliated parties	Yes	590	590	590	4.60%	2	-	Operating capital	590	None	-	426,919	853,835
1	BB	BBMX	Other receivables-affiliated parties	Yes	2,656	2,514	-	4.60%	2	-	Operating capital	-	None	-	426,919	853,835
2	DLS	TSC Auto ID	Other receivables – affiliated parties	Yes	199,230	188,580	188,580	5.00%	2	-	Operating capital	-	None	-	306,859	613,718

Note 1:(1) 0 for the Company.

(2) Subsidiaries are sequentially numbered starting from "1" using Arabic numerals based on each company.

Note 2:Any need for short-term financing from the Company is capped at 20% of the book value of its most recent financial statements as audited or reviewed by CPAs. For intercompany loans between foreign companies in which the Company directly or indirectly holds 100% of the voting rights, or for loans extended to the Company by a foreign company in which the Company holds 100% of the voting shares, the lending limit shall not exceed 20% of the company's net worth as stated in its most recent financial statements audited or reviewed by CPAs.

Note 3:The aggregate amount of the Company's lending to others is capped at 40% of the book value of its most recent financial statements as audited or reviewed by CPAs.

2. Endorsements and guarantees for others

Unit: NT$ thousand

Serial No. (Note 1)	Name of the endorsement/ guarantee provider	Endorsed/ guaranteed entity: Name of the company	Endorsed/ guaranteed entity: Relation (Note 2)	Limit of endorsements/ guarantees for a single company (Note 3)	Maximum balance of endorsements/ guarantees during the period	Balance of endorsements/ guarantees as of the end of the period	Amount actually drawn	Amount of collateral secured by assets for endorsements and guarantees	Cumulative endorsed/ guaranteed amount as the % of book value in the most recent financial statements	Maximum limit of endorsements/ guarantees (Note 3)	Endorsements/ guarantees from the parent to subsidiaries	Endorsements/ guarantees from subsidiaries to the parent	Endorsements/ guarantees to entities in China
0	TSC Auto ID	TSCAA	2	2,155,570	199,230	188,580	-	-	3.50%	3,233,335	Y	N	N
0	TSC Auto ID	MGN	2	2,155,570	249,038	235,725	-	-	4.37%	3,233,335	Y	N	N
0	TSC Auto ID	MGN	2	2,155,570	1,476	1,476	-	-	0.02%	3,233,335	Y	N	N

Note1: 0 for the Company.

Note 2 Code "2" represents companies with over 50% voting shares directly and indirectly owned by the Company.

Note 3: The aggregate endorsed/guaranteed amount and the maximum endorsement/guarantee to a single company are capped at 60% and 40%, respectively, of the Company's book value according to the most recent financial statements as audited or reviewed by CPAs.

3. Significant marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures):

Unit: NT$ thousand

Investees	Types and names of marketable securities (Note 1)	Relation with the issuer (Note 2)	Itemized Account	End of the period: No. of shares	End of the period: Carrying amount (Note 3)	End of the period: Shareholding percentage	End of the period: Fair value	Highest in the period Shareholding percentage	Remarks
TSC Auto ID	TSC	Parent company	Financial assets measured at fair value through other comprehensive incomes – non-current	15,960	823,536	6.06 %	823,536	-%	

4. Purchase from and sale to affiliated parties for at least NT$100 million or at an amount equivalent to 20% of the paid-in capital

Unit: NT$ thousand

Purchase (sale) company	Name of the counterparty	Relation	Transactions: Purchase (sale)	Transactions: Amount	Transactions: As % of total sale (purchase)	Transactions: Credit period	Circumstances and reasons why transaction terms are not at an arm's length: Unit price	Circumstances and reasons why transaction terms are not at an arm's length: Credit period	Notes and accounts receivable (payable): Balance	Notes and accounts receivable (payable): As % of total notes and accounts receivable (payable)	Remarks
TSC Auto ID	TSCAE	Subsidiary	Sale	(693,038)	(7) %	135 days based on monthly statements	-		668,075	45%	
TSC Auto ID	TSCAA	Subsidiary	Sale	(554,580)	(5) %	120 days based on monthly statements	-		372,515	25%	
TSC Auto ID	Tianjin TSC Auto ID Technology	Sub-subsidiary	Sale	(533,277)	(5) %	60 days based on monthly statements	-		183,391	13%	
TSC Auto ID	Tianjin TSC Auto ID Technology	Sub-subsidiary	Purchase	1,106,564	72 %	60 days based on monthly statements	-		(436,615)	(67)%	

5. Receivables from affiliated parties amounting to NT$100 million or more, or at least 20% of paid-in capital:

Unit: NT$ thousand

Amount recognized as receivables company	Name of the counterparty	Relation	Receivables from affiliated parties	Turnover	Overdue receivables from affiliated parties		Receivables from affiliated parties Recovered receivables (Note 1)	Recognized allowance Loss amount
					Amount	Treatment		
TSC Auto ID	TSCAE	Subsidiaries	668,075	1.02%	222,360		167,940	-
TSC Auto ID	TSCAA	Subsidiaries	372,515	1.49%	93,762		54,366	-
TSC Auto ID	Tianjin TSC Auto ID Technology	Sub-subsidiary	183,391	3.96%	-		150,402	-
TSC Auto ID	MGN	Sub-subsidiary	202,670	-%	-		-	-
Tianjin TSC Auto ID Technology	TSC Auto ID	Parent company	436,615	2.92%	-		236,936	-

Note 1: Amounts collected as of March 6, 2026.

6. Business Relationships and Significant Intercompany Transactions between the Parent and Subsidiaries:

Unit: NT$ thousand

No.	Entity concerned	Name of the counterparty	Relation with the counterparty (Note 1)	Transaction with the counterparty			
				Item	Amount	Transaction terms and conditions	As % of the consolidated total revenue or the consolidated total assets (Note 2)
0	The Company	TSCAA	1	Accounts receivable	372,515	Note 3	2.94%
0	The Company	TSCAA	1	Revenues	554,580	Note 3	4.81%
0	The Company	TSCAA	1	R&D expenses	75,262	Note 3	0.65%
0	The Company	TSCAE	1	Accounts receivable	668,075	Note 3	5.28%
0	The Company	TSCAE	1	Revenues	693,038	Note 3	6.01%
0	The Company	Tianjin TSC Auto ID Technology	1	Accounts receivable	183,391	Note 3	1.45%
0	The Company	Tianjin TSC Auto ID Technology	1	Revenues	533,277	Note 3	3.44%
0	The Company	Tianjin TSC Auto ID Technology	1	Accounts payable	436,615	Note 3	3.45%
0	The Company	Tianjin TSC Auto ID Technology	1	Purchase	1,106,564	Note 3	9.60%
0	The Company	MGN	1	Other receivables	202,670	At an arm's length	1.60%

Note1: Relation with the counterparty:

1. The parent to a subsidiary
2. Subsidiary to the parent
3. Subsidiary to a subsidiary

Note2: Transactions as a percentage of the consolidated total revenue or the consolidated total assets: If the transactions are a balance sheet item, the balance at the end of the period is calculated as a percentage of consolidated total assets. If the transactions are an income statement item, the cumulative amount is calculated as a percentage of the consolidated total revenue.

Note 3: Sales prices are based on market prices. Collection period is 60-135 days based on monthly statements

Notes to the Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Subsidiaries (Continued)

(II) Information on investees

For 2025, information on the Group's investee companies is as follows (excluding investees in Mainland China):

Unit: NT$ thousand

Name of the investment company	Name of the investee	Location	Primary business	Original invested amount		Holdings at the end of the year			Highest shareholding percentage during the period	Profit or loss of the investee during the period	Recognized investment gain (loss) during the period	Remarks
				End of this period	End of last year	No. of shares	Ratio	Carrying amount (Note 4)				
The Company	TSCAE	Germany	Selling and buying of barcode printers and relevant components	2,943	2,943	- (Note 1)	100.00%	(3,346)	100.00%	(21,117)	(21,117)	Subsidiaries
The Company	TSCAA	United States	Selling and buying of barcode printers and relevant components	1,096,621	1,096,621	16,000	100.00%	1,121,394	100.00%	15,099	15,099	Subsidiaries
The Company	DLS	United States	Printer consumables and customized design, integration, production and marketable of a variety of labels	801,558	801,558	1	100.00%	1,534,295	100.00%	63,016	63,016	Subsidiaries
The Company	TSCIN	India	Leasing of assets	2,791	2,791	710	100.00%	1,490	100.00%	(204)	(204)	Subsidiaries
The Company	TSCPL	Poland	General investment	498,827	498,827	- (Note 2)	100.00%	506,461	100.00%	(9,514)	(9,514)	Subsidiaries
The Company	BB	Korea	Manufacturing and sales of enterprise mobile computers and components	2,856,995	2,783,490	7,010	99.85%	3,129,424	99.85%	532,615	394,551	Subsidiaries
The Company	TSCHK	Hong Kong	Investments in various manufacturing enterprises	47,468	47,468	12,711	100.00%	806,215	100.00%	40,036	40,036	Subsidiaries
The Company	BBMX	Mexico	Manufacturing and sales of enterprise mobile computers and components	- (Note 3)	- (Note 3)	- (Note 1)	0.03%	4	0.03%	3,603	1	Subsidiaries
TSCAE	TSCAD	United Arab Emirates	Selling and buying of barcode printers and relevant components	8,234	8,234	- (Note 1)	100.00%	(16,422)	100.00%	(1,003)	(1,003)	Subsidiaries
TSCAE	TSCAS	Spain	Leasing of assets	124	124	- (Note 1)	100.00%	3,881	100.00%	346	346	Subsidiaries
DLS	PPL	United States	Trading of a variety of labels and printer consumables	115 (USD thousands)	115 (USD thousands)	850	100.00%	58,241	100.00%	9,345	9,345	Subsidiaries
TSCPL	MGN	Poland	Printer consumables and customized design, integration, production and marketable of a variety of labels	71,613 (PLN thousands)	71,613 (PLN thousands)	2	100.00%	185,267	100.00%	(3,690)	(3,690)	Subsidiaries
BB	BBMX	Mexico	Manufacturing and sales of enterprise mobile	5	5	- (Note 1)	99.97%	5	99.97%	3,603	3,602	Subsidiaries

Name of the investment company	Name of the investee	Location	Primary business	Original invested amount		Holdings at the end of the year			Highest shareholding percentage during the period	Profit or loss of the investee during the period	Recognized investment gain (loss) during the period	Remarks
				End of this period	End of last year	No. of shares	Ratio	Carrying amount (Note 4)				
			computers and components									
BB	BBUS	United States	Collection of payments on behalf	2,920	2,920	- (Note 2)	100.00%	-	100.00%	(110)	(110)	Subsidiaries
BB	BBIN	India	R&D and design of enterprise mobile computers; technical services	4,078	4,078	990	99.00%	5,171	99.00%	(806)	(798)	Subsidiaries
BB	BBDE	Germany	Marketing support services	756	756	- (Note 1)	100.00%	-	100.00%	313	313	Subsidiaries
BB	BBES	Spain	Established due to bidding requirements	1,265	1,265	- (Note 1)	100.00%	1,098	100.00%	(264)	(264)	Subsidiaries
BB	BBJP	Japan	Manufacturing and sales of enterprise mobile computers and components	2,086	-	- (Note 1)	100.00%	2,098	100.00%	(176)	(176)	Subsidiaries

Note 1: The company license only specifies the amount of invested capital without the number of shares.

Note 2: Figure not shown as the Company held less than one thousand shares.

Note 3: Amounts less than one thousand are not presented.

Note 4: Carrying amount net of unrealized gains from sales.

(III) Information on investments in China:

1. Names of investee companies in Mainland China, their principal business, and other related information:

Unit: NT$ thousand

Names of investees in China	Primary business	Paid-in capital (Note 2)	Investment method (Note 1)	Cumulative outward investments from Taiwan at the beginning of this period (Note 2)	Outward remittances or recovered investments during the period		Cumulative outward investments from Taiwan at the end of this period (Note 5)	Profit or loss of the investee during the period	Holding by the Company directly and indirectly	Shareholding percentage	Recognized investment gain or loss during the period	Carrying amount of the investment at the end of the period	Total repatriated investment gains as of the end of this period
					Outward remittances	Recovered investments							
Tianjin TSC Auto ID Technology	Production and marketing of barcode printers and relevant components	47,208	**(II)**	47,145	-	-	47,145	50,782	100.00%	-%	50,782	831,651	998,407

Note 1: Code (II) refers to investments in Mainland China companies made through reinvestment via existing companies in a third region.

Note 2: Foreign currency amounts presented in this table have been translated into New Taiwan Dollars using the exchange rates as of December 31, 2025 (RMB 4.496 or USD 31.430).

2. Investment limits in China:

Cumulative outward investments from Taiwan to China at the end of this period	Investment amount approved by the Investment Commission, MOEA	Ceiling imposed by the Investment Commission, MOEA on investments in China
49,808 (USD 1,500thousand)	49,808 (USD 1,500thousand)	3,233,355

3. Significant transactions with investee companies in China:

Significant transactions between the Group and its investees in Mainland China, whether conducted directly or indirectly, have been eliminated upon consolidation for the year 2025. Please refer to the "Information on significant transactions" for details.

XIV. Segment information

Information on the Group's operating segments and reconciliations is as follows:

2025	Barcode printers and their components	Various types of label paper for printers and related consumables	Enterprise mobile computers	Intersegment adjustment	Total
Income					
Revenue from external customers	$ 4,856,514	3,735,784	2,936,736	-	11,529,034
Intersegment revenue	221,255	6,348	68,215	(295,818)	-
Interest income	17,991	11,085	12,177	(18,776)	22,477
Total revenue	$ 5,095,760	3,753,217	3,017,128	(314,594)	11,551,511
Interest expense	$ 118,664	40,049	5,699	(18,776)	145,636
Depreciation and amortization	$ 345,678	27,902	50,833	81,803	506,216
Profit or loss of reportable segments	$ 1,220,274	76,336	457,124	(635,902)	1,117,832

Notes to the Consolidated Financial Statements of TSC Auto ID Technology Co., Ltd. and Subsidiaries (Continued)

2024	Barcode printers and their components	Various types of label paper for printers and related consumables	Enterprise mobile computers	Intersegment adjustment	Total
Income					
Revenue from external customers	$ 4,779,440	3,492,089	526,603	-	8,798,132
Intersegment revenue	1,303	9,906	-	(11,209)	-
Interest income	12,750	8,603	1,093	(5,463)	16,983
Total revenue	**$ 14,053**	**18,509**	**1,093**	**(16,672)**	**16,983**
Interest expense	**$ 69,685**	**28,893**	**623**	**(5,463)**	**93,738**
Depreciation and amortization	**$ 175,185**	**157,818**	**13,793**	**-**	**346,796**
Profit or loss of reportable segments	**$ 1,039,869**	**84,413**	**88,361**	**(278,232)**	**934,411**
Asset of reportable segments:					
December 31, 2025	**$ 15,179,875**	**3,120,719**	**2,756,499**	**(8,407,222)**	**12,649,871**
December 31, 2024	**$ 15,001,743**	**3,142,315**	**2,103,831**	**(7,542,026)**	**12,705,863**
Liability of reportable segments:					
December 31, 2025	**$ 7,615,003**	**1,079,962**	**621,903**	**(2,061,744)**	**7,255,124**
December 31, 2024	**$ 7,697,250**	**1,137,168**	**471,132**	**(1,700,966)**	**7,604,584**

(I) Information by product and service categories

Information on the Group's operating segments and reconciliations is as follows:

Names of products and services	2025	2024
Bar code printers and components	$ 4,856,514	4,779,440
Labels and printer consumables	3,735,784	3,492,089
Enterprise mobile computers	2,936,736	526,603
Total	**$ 11,529,034**	**8,798,132**

(II) Regional disclosure

The geographic information of the Group is presented below. Revenue is classified based on the location of customers, while non-current assets are classified based on the location of the assets.

By region		2025	2024
Revenue from external customers			
Asia and other regions	$	2,695,725	1,468,309
China		1,200,841	1,183,655
Americas		4,375,927	3,909,624
Europe		3,256,541	2,236,544
Total	**$**	**11,529,034**	**8,798,132**

By region		2025.12.31	2024.12.31
Non-current assets:			
Asia and other regions	$	1,841,222	1,973,226
China		296,862	244,479
Americas		2,039,651	2,207,410
Europe		953,910	796,878
Total	**$**	**5,131,645**	**5,221,993**

Non-current assets include property, plant and equipment, intangible assets, and certain other non-current assets, but exclude financial instruments, deferred tax assets, and post-employment benefit assets.