

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Consolidated Financial Statements and Independent Auditors' Report
2025 and 2024
(Stock Code: 3357)

Company Address: No.1 You 4th Road, Youth Industrial Park,
Yangmei District, Taoyuan City

Tel.: (03) 464-1148

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
2025 and 2024 Consolidated Financial Statements and Auditors' Report
Table of Contents

Item	Page
I. Cover Page	1
II. Table of Contents	2–3
III. Declaration	4
IV. Independent Auditors' Report	5–10
V. Consolidated Balance Sheets	11–12
VI. Consolidated Statements of Comprehensive Income	13–14
VII. Consolidated Statements of Changes in Equity	15
VIII. Consolidated Statements of Cash Flows	16–17
IX. Notes to Consolidated Financial Statements	18–80
(I) Company History and Business Scope	18
(II) Approval Date and Procedure of Financial Statements	18
(III) Application of New and Amended Standards and Interpretations	18–20
(IV) Summary of Significant Accounting Policies	20–32
(V) Significant Accounting Judgments, Estimates, and Major Sources of Uncertainty for Assumptions	32–33
(VI) Description of Significant Accounts	33–62
(VII) Related Party Transactions	62–65

Item	Page
(VIII) Pledged Assets	65
(IX) Significant Commitments or Contingencies	65–66
(X) Significant Disaster Losses	66
(XI) Significant Subsequent Events	66
(XII) Others	66–65
(XIII) Notes to the Financial Statements	65–78
(XIV) Segment Information	79–80

Tai-Tech Advanced Electronics Co., Ltd.

Statement of Consolidated Financial Statements of Affiliates

In 2025 (from January 1 to December 31, 2025), the related entities that are required to be included in the preparation of the Consolidated Financial Statements of the Company, under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those defined in International Financial Reporting Standards (IFRS) No. 10 “Consolidated Financial Statements.” In addition, the information which shall be disclosed in the combined financial statements of affiliated companies is included in the consolidated financial statements of the parent company. Consequently, there will be no separate preparation of combined financial statements of affiliated companies.

Hereby declare

Company name: Tai-Tech Advanced Electronics Co., Ltd.

Responsible Person: Ming-Yen Hsieh

March 11, 2026

Independent Auditor's Report

(115) Cai-Shen-Bao-Zi No. 25002429

To Tai-Tech Advanced Electronics Co., Ltd.:

Audit Opinions

The consolidated financial statements of Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries (hereinafter referred to as the “Tai-Tech Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies), have been audited by us.

In the opinion of this CPA, based on our audits and the reports of the other auditors (see Other Matters), all major aspects of the aforesaid Consolidated Financial Statements are formulated in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the guidelines, interpretation, and explanations announced by the International Financial Reporting Standards and the International Accounting Standards recognized and declared as effective by the Financial Supervisory Commission. They are sufficient to present the consolidated financial status of Tai-Tech Group for December 31, 2025 and 2024, as well as the Consolidated Financial Performance and Consolidated Cash Flow for January 1 to December 31, 2025 and 2024.

Basis of Audit Opinion

We have conducted the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Taiwan Standards on Auditing. Our responsibilities under those standards are further described in the section titled “Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements” in our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on the audit results of our accountants and the audit reports of other accountants, we are of the opinion that sufficient and appropriate audit evidence has been obtained to be served as the basis for expressing the audit opinion.

Key Audit Matters

The key audit items refer to the most important audit matters for the 2025 Consolidated Financial Statements of Tai-Tech Group under the professional judgment of this CPA. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon. As such, we do not provide a separate opinion on these matters.

The key audit matters for the Group's consolidated financial statements for the year ended 2025 are stated as follows:

Evaluation of Loss Allowance due to Inventory Impairment

Description

Please refer to Notes 4(13), 5(2), and 6(3) of the Notes to Consolidated Financial Statements for detailed descriptions of the accounting policies, important accounting estimates, inventory evaluation assumptions, and accounting items for loss allowance due to inventory impairment. Tai-Tech Group's balances for inventory and loss allowance due to impairment as of December 31, 2025, were NT\$1,236,991 thousand and NT\$69,014, thousand, respectively.

The Group mainly engages in the manufacturing and processing of electronic components, magnetic cores, chip coils, and other types of coils. Because the value of inventories is affected by market price fluctuations and product life cycles, there is a relatively high risk of obsolescence. In addition, as the valuation process involves significant management judgment, there is a high degree of uncertainty in accounting estimates. Accordingly, we identified the allowance for inventory valuation losses as one of the key audit matters for the current year.

Responsive Audit Procedures

We perform the following procedures for the inventory that is ageing and individually obsolete:

1. Assess the reasonableness of inventory allowance valuation policies and procedures adopted by the Group according to our understanding of the Group.
2. Review the annual inventory plans of the Group, and observe their annual inventory and management status to assess their management performance and capacity to control obsolete inventories.

3. Verify the completeness and accuracy of the inventory aging report to ensure report data and policy consistency.
4. Evaluate and confirm the accuracy of the inventory depreciation loss calculations, including verifying the accuracy of product selling and purchase prices, and recalculating and evaluating the appropriateness of depreciation loss provisions.

Other Matters - audits conducted by other certified public accountants

We have not audited the financial statements of certain subsidiaries included in the Group's consolidated financial statements, which were audited by other independent auditors. Accordingly, our opinion on the consolidated financial statements, insofar as it relates to the amounts included for those subsidiaries, is based on the audit reports of other independent auditors. Such subsidiaries had total assets of NT\$538,074 thousand, representing 4% of the consolidated total assets as of December 31, 2025, and operating revenue of NT\$0, representing 0% of consolidated net operating revenue for the year then ended.

We have not audited the parts of financial statements of the investees under the equity method that are included in the consolidated financial statements of the Group, but other independent auditors have. Accordingly, in expressing our opinion on the consolidated financial statements, we have relied on the audit reports issued by other auditors with respect to the amounts included in the financial statements of those entities. The investment amount of the aforementioned company using the equity method as of December 31, 2025 and 2024 was NT\$1,906,637 thousand and NT\$1,717,727 thousand, respectively, accounting for 13% and 14% of the consolidated total assets, respectively. The comprehensive income recognized for the aforementioned company from January 1 to December 31, 2025 and 2024 was NT\$274,445 thousand and NT\$311,871 thousand, respectively, accounting for 23% and 25% of the consolidated comprehensive income, respectively.

Other Matters – Parent-Company-Only Financial Statements

Tai-Tech Advanced Electronics Co., Ltd. has prepared the parent company only financial statements for the years ended December 31, 2025 and 2024, which have been audited by us and on which we have issued an unmodified opinion with an Other Matter paragraph, for reference.

The Responsibilities of the Management Level and Governance Units for the Consolidated Financial Statements

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

The CPA's Responsibilities during the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance; however, an audit performed in accordance with TWSA does not enable the auditor to obtain absolute assurance that material misstatements in the consolidated financial statements will be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

The CPA exercises professional judgment and professional skepticism in conducting the audit in accordance with the TWSA. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures

responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. The auditor obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; however, the purpose is not to express an opinion on the effectiveness of the internal control of the Tai-Tech Group.
3. Evaluate the appropriateness of the accounting policies adopted by the management level, the rationality of its accounting estimates, and the relevant disclosures.
4. Based on the audit evidence obtained, the auditor concludes on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall representation, structure, and content of the Consolidated Financial Statements (including the relevant notes) and determine whether the Consolidated Financial Statements have sufficiently expressed the relevant transactions and events.
6. The auditor obtains sufficient appropriate audit evidence regarding the financial information of the components within the Group in order to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit; we remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate

with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Based on matters communicated with those charged with governance, the auditor has determined the key audit matters for the audit of Tai-Tech Group's consolidated financial statements for the year ended December 31, 2025. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Taiwan

Wei-Hao Wu

Certified Public Accountant (CPA)

Ya-Hui Cheng

Financial Supervisory Commission

Official Approval Letter No.: Jin Guan Zheng Shen Zi No.
1080323093

Former Financial Supervisory Commission and Securities
and Futures Bureau of the Executive Yuan

Official Approval Letter No.: Jin Guan Zheng Liu Zi No.
0960072936

March 11, 2026

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

Unit: NT\$ thousand

			December 31, 2025		December 31, 2024	
Assets		Note	Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,257,597	16	\$ 1,780,997	15
1110	Financial assets measured at fair value through profit or loss - current	6(12)	1,303	-	-	-
1150	Notes receivable, net	6(2)	79,625	1	36,806	-
1170	Accounts receivable, net	6(2)	2,333,834	17	1,996,348	16
1180	Accounts receivable from related parties, net	6(2) and 7	162,648	1	129,489	1
1200	Other receivables		55,648	-	33,711	-
1210	Other receivables - related parties	7	10	-	140	-
1220	Current income tax assets	6(26)	4,077	-	2	-
130X	Inventory	6(3)	1,167,977	8	896,450	8
1410	Pre-payments	6(14)	63,690	-	104,091	1
1470	Other current assets		10,436	-	3,811	-
11XX	Total current assets		6,136,845	43	4,981,845	41
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(12)	-	-	770	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(4) and 12(3)	719,922	5	567,634	5
1550	Investment accounted for using the equity method	6(5)	2,750,773	20	2,178,533	18
1600	Property, plant and equipment	6(6)(9) and 8	4,241,525	30	4,358,293	35
1755	Right-of-use assets	6(7) and 7	33,605	-	34,809	-
1780	Intangible assets		76,415	1	54,094	-
1840	Deferred income tax assets	6(26)	1,629	-	3,237	-
1900	Other non-current assets	6(8)	188,160	1	71,613	1
15XX	Total non-current assets		8,012,029	57	7,268,983	59
1XXX	Total assets		\$ 14,148,874	100	\$ 12,250,828	100

(Continued)

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

Unit: NT\$ thousand

Liabilities and equity		Note	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(10)	\$ 380,000	3	\$ 330,000	3
2150	Notes payable		9,597	-	16,011	-
2170	Accounts payable		920,528	6	806,684	7
2180	Accounts payable - related parties	7	2,991	-	2,622	-
2200	Other payables	6(11) and 7	741,811	5	587,956	5
2230	Current income tax liabilities	6(26)	96,645	1	35,275	-
2250	Liability reserve - current		5,318	-	4,492	-
2280	Lease liabilities - current	7	3,011	-	2,311	-
2320	Current portion of long-term borrowings	6(12)(13)	1,272,352	9	243,158	2
21XX	Total current liabilities		3,432,253	24	2,028,509	17
Non-current liabilities						
2530	Corporate bonds payable	6(12)	-	-	1,066,426	9
2540	Long-term borrowings	6(13)	1,011,820	7	1,266,554	10
2570	Deferred income tax liabilities	6(26)	323,100	3	267,624	2
2580	Lease liabilities - non-current	7	4,716	-	5,376	-
2640	Net defined benefit liabilities — non-current	6(14)	1,826	-	1,415	-
2670	Other non-current liabilities - others		5,365	-	7,207	-
25XX	Total non-current liabilities		1,346,827	10	2,614,602	21
2XXX	Total liabilities		4,779,080	34	4,643,111	38
Equity attributable to shareholders of the parent						
	Share capital	6(15)				
3110	Common shares		1,105,926	8	1,020,349	8
	Capital surplus	6(16)				
3200	Capital surplus		2,733,346	19	1,854,376	15
	Retained earnings	6(17)				
3310	Legal reserve		811,142	6	720,465	6
3320	Special reserve		76,642	-	76,642	1
3350	Unappropriated earnings		3,769,976	27	3,312,481	27
	Other equity	6(18)				
3400	Other equity		612,777	4	496,692	4
31XX	Equity attributable to shareholders of the parent - Total		9,109,809	64	7,481,005	61
36XX	Non-controlling interests		259,985	2	126,712	1
3XXX	Total equity		9,369,794	66	7,607,717	62
	Significant Commitments or Contingencies	9				
3X2X	Total liabilities and equity		\$ 14,148,874	100	\$ 12,250,828	100

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand

(Except earnings per share, which are expressed in NTD)

	Item	Note	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	6(19) and 7	\$ 6,623,818	100	\$ 5,506,106	100
5000	Operating costs	6(3)(24) (25) and 7	(4,877,989)	(74)	(4,174,131)	(76)
5900	Gross profit		1,745,829	26	1,331,975	24
5910	Unrealized gains from sale		(1,598)	-	-	-
5950	Gross profit, net		1,744,231	26	1,331,975	24
	Operating expenses	6(24) (25) and 7				
6100	Selling and marketing expenses		(405,341)	(6)	(351,291)	(6)
6200	General and administrative expenses		(326,476)	(5)	(211,724)	(4)
6300	Research and development expenses		(216,653)	(3)	(202,633)	(4)
6450	Expected Credit Impairment Losses	12(2)	(1,890)	-	-	-
6000	Total operating expenses		(950,360)	(14)	(765,648)	(14)
6900	Operating income		793,871	12	566,327	10
	Non-operating income and expenses					
7100	Interest income	6(20)	34,006	1	41,617	1
7010	Other income	6(21)	346,935	5	65,796	1
7020	Other gains and losses	6(9)(22)	(112,989)	(1)	81,625	2
7050	Financial costs	6(10)(13) (23)	(51,147)	(1)	(41,075)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(5)	213,802	3	137,054	3
7000	Total non-operating incomes and expenses		430,607	7	285,017	6
7900	Income before income tax		1,224,478	19	851,344	16
7950	Income tax expenses	6(26)	(182,291)	(3)	(104,458)	(2)
8200	Net profit (loss) for current period		\$ 1,042,187	16	\$ 746,886	14
	Other comprehensive income/(loss) for the year, net of income tax					
	Components of other comprehensive income that will not be reclassified to profit or loss	6(18)				
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	6(4)	(\$ 2,847)	-	\$ 107,717	2
8320	Share of profit (loss) of associates and joint ventures accounted for using equity method - Components of other comprehensive income that will not be reclassified to profit or loss		211,950	3	155,561	3

(Continued)

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand

(Except earnings per share, which are expressed in NTD)

	Item	Note	2025		2024	
			Amount	%	Amount	%
8310	Total components of other comprehensive income that will not be reclassified to profit or loss					
	Items that may be reclassified subsequently to profit or loss	6(18)				
8361	Exchange differences on translating the financial statements of foreign operations		(66,566)	(1)	223,418	4
8370	Share of profit (loss) of associates and joint ventures accounted for using equity method - Components of other comprehensive income that might be reclassified to profit or loss		(10,391)	-	31,585	-
8360	Total of items that may be reclassified subsequently to profit or loss		(76,957)	(1)	255,003	4
8300	Other comprehensive income/(loss) for the year, net of income tax		\$ 132,146	2	\$ 518,281	9
8500	Total comprehensive income (loss) for the current period		\$ 1,174,333	18	\$ 1,265,167	23
	Net income attributable to:					
8610	shareholders of the parent		\$ 1,055,748	16	\$ 748,155	14
8620	Non-controlling interests		(\$ 13,561)	-	(\$ 1,269)	-
	Total comprehensive income (loss) attributable to:					
8710	shareholders of the parent		\$ 1,177,951	18	\$ 1,264,407	23
8720	Non-controlling interests		(\$ 3,618)	-	\$ 760	-
	Earnings Per Share	6(27)				
9750	Basic earnings per share attributable to shareholders of the parent company		\$ 10.26		\$ 7.33	
9850	Diluted earnings per share attributable to shareholders of the parent company		\$ 9.46		\$ 6.83	

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand

Equity attributable to shareholders of the parent											
		Retained earnings					Other equity				
							Exchange differences on translating the financial statements of foreign operations	Unrealized gain/(loss) on financial assets at fair value through other comprehensive income		Non-controlling interests	Total equity
Note		Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings			Total		
<u>2024</u>											
		\$ 1,020,340	\$ 1,854,279	\$ 657,300	\$ 76,642	\$ 2,928,035	(\$ 217,641)	\$ 356,690	\$ 6,675,645	\$ 60,682	\$ 6,736,327
		-	-	-	-	748,155	-	-	748,155	(1,269)	746,886
	6(18)	-	-	-	-	-	252,974	263,278	516,252	2,029	518,281
		-	-	-	-	748,155	252,974	263,278	1,264,407	760	1,265,167
	6(17)										
		-	-	63,165	-	(63,165)	-	-	-	-	-
		-	-	-	-	(459,153)	-	-	(459,153)	-	(459,153)
		-	9	-	-	-	-	-	9	-	9
	6(12)	9	88	-	-	-	-	-	97	-	97
		-	-	-	-	-	-	-	-	65,270	65,270
	6(18)										
		-	-	-	-	158,609	-	(158,609)	-	-	-
		\$ 1,020,349	\$ 1,854,376	\$ 720,465	\$ 76,642	\$ 3,312,481	\$ 35,333	\$ 461,359	\$ 7,481,005	\$ 126,712	\$ 7,607,717
<u>2025</u>											
		\$ 1,020,349	\$ 1,854,376	\$ 720,465	\$ 76,642	\$ 3,312,481	\$ 35,333	\$ 461,359	\$ 7,481,005	\$ 126,712	\$ 7,607,717
		-	-	-	-	1,055,748	-	-	1,055,748	(13,561)	1,042,187
	6(18)	-	-	-	-	-	(86,900)	209,103	122,203	9,943	132,146
		-	-	-	-	1,055,748	(86,900)	209,103	1,177,951	(3,618)	1,174,333
	6(15)	70,000	728,700	-	-	-	-	-	798,700	-	798,700
	6(17)										
		-	-	90,677	-	(90,677)	-	-	-	-	-
		-	-	-	-	(510,174)	-	-	(510,174)	-	(510,174)
		-	(778)	-	-	(34,966)	(879)	(4,834)	(41,457)	-	(41,457)
		-	-	-	-	37,159	-	-	37,159	-	37,159
		-	21	-	-	-	-	-	21	-	21
	6(12)	15,577	151,027	-	-	-	-	-	166,604	-	166,604
		-	-	-	-	-	-	-	-	136,891	136,891
	6(18)										
		-	-	-	-	405	-	(405)	-	-	-
		\$ 1,105,926	\$ 2,733,346	\$ 811,142	\$ 76,642	\$ 3,769,976	(\$ 52,446)	\$ 665,223	\$ 9,109,809	\$ 259,985	\$ 9,369,794

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand

	Note	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash Flow from Operating Activities</u>			
Income before income tax		\$ 1,224,478	\$ 851,344
Adjustments			
Adjustments for income and expenses			
Expected Credit Impairment Losses	12(2)	1,890	-
Depreciation expenses (including right-of-use assets)	6(24)	507,831	540,703
Amortization	6(24)	12,064	8,021
Net gain on financial assets and liabilities at fair value through profit or loss	6(22)	(533)	(6,916)
Loss (gain) on disposal of property, plant and equipment	6(22)	3,716	(260)
Impairment loss recognized on property, plant, and equipment	6(22)	91,037	-
Unrealized gains from sale		1,598	-
Interest income	6(20)	(34,006)	(41,617)
Dividends income	6(21)	(13,812)	(23,151)
Bargain purchase gains	6(21)	(300,122)	-
Interest expenses	6(23)	51,147	41,075
Share of profit of associates accounted for using equity method	6(5)	(213,802)	(137,054)
Miscellaneous expenses		-	6,141
Disposal of investment gains	6(22)	(5,809)	2,985
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets compulsorily measured at fair value through profit or loss - current		-	7,026
Notes receivable		(42,819)	13,038
Accounts receivable		(337,473)	(523,095)
Accounts receivable due from related parties		(33,159)	(34,639)
Other receivables		(23,827)	(6,942)
Other receivables - related parties		130	(140)
Inventory		(271,527)	(125,480)
Pre-payments		40,401	(61,112)
Other current assets		(6,625)	(3,485)
Changes in operating liabilities, net			
Notes payable		(1,693)	(764)
Accounts payable		113,844	249,736
Accounts payables to related parties		369	(489)
Other payables		108,583	47,393
Liability reserve - current		826	214
Net defined benefit liabilities		411	362
Other noncurrent liabilities		(2,289)	(1,767)
Cash generated from operating activities		870,829	801,127
Interest paid		(33,350)	(23,247)
Income taxes paid		(63,717)	(92,857)
Net cash inflow from operating activities		773,762	685,023

(Continued)

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand

	Note	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash Flows from Investing Activities</u>			
Interests received		\$ 34,006	\$ 41,617
Dividends received		13,812	23,151
Acquisition of financial assets at fair value through other comprehensive income		(155,241)	(78,845)
Decrease in financial assets at amortized cost		-	30,705
Investment accounted for using the equity method		-	(261,360)
Acquisition of property, plant and equipment	6(29)	(588,808)	(765,011)
Proceeds from disposal of property, plant and equipment		11,537	7,155
Acquisition of intangible assets		(34,391)	(11,719)
Increase in refundable deposits		(7,234)	(4,932)
Decrease in other noncurrent assets		-	88
Capital surplus distributed in cash		-	482
Cash dividend of long-term equity investment under equity method		135,258	57,500
Cash proceeds from business combination	6(28)	-	2,219
Net cash flows used in investing activities		(591,061)	(958,950)
<u>Cash Flow from Financing Activities</u>			
Increase in short-term borrowings		2,630,000	1,000,000
Decrease in short-term borrowings		(2,580,000)	(770,000)
Increase in long-term borrowings		500,000	-
Repayment for long-term borrowings		(643,158)	(37,733)
Repayment of the principal portion of lease liabilities	6(30)	(2,377)	(4,082)
Issuance of common shares for cash	6(15)	798,700	-
Increase (decrease) in refundable deposits		447	(1,040)
Cash dividends appropriated	6(17)	(510,174)	(459,153)
Increase in non-controlling interests		136,891	65,270
Net cash generated from/(used in) financing activities		330,329	(206,738)
Exchange rate adjustments		(36,430)	109,028
Increase (decrease) in cash and cash equivalents for the period		476,600	(371,637)
Cash and cash equivalents - beginning balance		1,780,997	2,152,634
Cash and cash equivalents - ending balance		<u>\$ 2,257,597</u>	<u>\$ 1,780,997</u>

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Notes to Consolidated Financial Statements
2025 and 2024

Unit: NT\$ thousand
(unless otherwise specified)

I. Company History and Business Scope

Tai-Tech Advanced Electronics Co., Ltd. (the “Company”) was incorporated in the Republic of China on November 2, 1992. The Company and its subsidiaries (collectively, the “Group”) engage in the manufacturing, processing, sale, and agency of various electronic components, magnetic cores, chip inductors, and other types of coils, as well as quotation, bidding, distribution, and import and export trading of related domestic and foreign products. The Company’s shares were listed on Taipei Exchange for trading on April 27, 2021.

II. Approval Date and Procedure of Financial Statements

The Consolidated Financial Statements have passed the board of directors resolution and were published on March 11, 2026.

III. Application of New Standards, Amendments and Interpretations

(I) The impact of the adoption of the new and revised International Financial Reporting Standards (IFRS) recognized and promulgated by the Financial Supervisory Commission (FSC)

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

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date announced by IASB</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Group’s financial position and financial performance.

(II) Effects of Not Adopting the Newly Issued or Amended IFRSs Endorsed by the FSC

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

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17: Initial Application of IFRS 17 and IFRS 9 — Comparative Information	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the Group has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Group’s financial position and financial performance:

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments

Fair value information for equity instruments designated at fair value through other comprehensive income (FVOCI) by an irrevocable election shall be disclosed by type of equity instrument, and it is no longer required to disclose fair value information for each underlying investment. In addition, the amounts of fair value gains or losses recognized in other comprehensive income during the reporting period shall be disclosed, separately presenting the amounts of fair value gains or losses relating to investments derecognized during the reporting period, the amounts relating to investments still held at the end of the reporting period, and the cumulative gains or losses relating to investments derecognized during the reporting period and transferred to equity.

(III) Effects of the IFRSS Issued by IASB but Not Yet Endorsed by the FSC

New standards, interpretations, and amendments to the IFRSs issued by IASB but not yet endorsed by the FSC are as follows:

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS 10 and IAS 28 - “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	Yet to be decided by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates — Hyperinflationary Economies”	January 1, 2027

Note: In a press release dated September 25, 2025, the FSC announced that IFRS No. 18 (hereinafter referred to as “IFRS18”) will be applicable to public entities starting in 2028; in addition, companies may elect to apply IFRS18 early after it is approved by the FSC.

Except for the following, the Group has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Group's financial position and financial performance:

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Financial Statement Presentation and Disclosure" replaces IAS 1 and updates the structure of the statement of profit or loss and other comprehensive income, introduces disclosure requirements for management-defined performance measures, and strengthens the principles of aggregation and disaggregation applied in the primary financial statements and notes.

IV. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

(I) Statement of Compliance

The consolidated financial statements are based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards and International Accounting Standards approved and promulgated by the FSC, as well as their interpretations and interpretation announcements (hereafter "IFRSs").

(II) Basis of Preparation

1. Except for the following significant accounts, the consolidated financial statements have been prepared under the historical cost convention:
 - (1) Financial assets measured at fair value through profit or loss (including derivatives).
 - (2) Financial assets at fair value through other comprehensive income.
 - (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. Preparing financial statements in conformity with the IFRSs endorsed by the FSC require using some important accounting estimates. The management level's judgments were needed when applying the Group's accounting policies. Please refer to Note 5 for items involving high levels of judgment or complexity or significant assumptions and estimates of consolidated financial reports.

(III) Basis of Consolidation

1. Principles for preparing the consolidated financial statements
 - (1) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries in the financial statements begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (2) Inter-company transactions, balances, and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by

the Group.

- (3) Profit or loss and every component of other comprehensive income attribute to either owners of the parent company or non-controlling interests, so does the total comprehensive income even if this results in the non-controlling interests having a deficit balance.
- (4) Changes in shareholding in subsidiaries that do not result in loss of control (i.e., transaction with non-controlling interests) are accounted for as equity transaction and as a transaction with owners. The differences between the adjustments to non-controlling interests and the fair value of consideration paid or received are directly recognized in equity.

2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Subsidiary name	Business nature	Shareholding percentage		Remarks
			December 31, 2025	December 31, 2024	
The Company	NORTH STAR INTERNATIONAL LIMITED	Invested business	100%	100%	
The Company	BEST BLISS INVESTMENTS LIMITED	Invested business	100%	100%	
The Company	TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	Reinvestment and trading-related business	60%	60%	
The Company	JDX Technology Co., Ltd.	Sale of electronic components	83.33%	83.33%	Note 1
BEST BLISS INVESTMENTS LIMITED	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Production, processing and sale of electronic components	100%	100%	
BEST BLISS INVESTMENTS LIMITED	FIXED ROCK HOLDING LTD.	Invested business	100%	100%	
BEST BLISS INVESTMENTS LIMITED	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Production, processing and sale of electronic components	26.60%	26.60%	

FIXED ROCK HOLDING LTD.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Production, processing and sale of electronic components	73.40%	73.40%	
TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	TECHWORLD ELECTRONICS (M) SDN. BHD.	Production, processing and sale of electronic components	100%	100%	
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd.	Sale of electronic components	100%	100%	
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	TAIPAQ Electronic Components (Shenzhen) Co., Ltd.	Sale of electronic components	66.70%	-	Note 2

Note 1: In November 2024, the Group acquired additional shares in the Company, thereby gaining control over the company and making it a new consolidated entity. Please refer to Note 6(28) for details on business combination.

Note 2: In June 2025, the Group acquired additional shares in the company, thereby gaining control over the company and making it a new consolidated entity. Please refer to Note 6(28) for details on business combination.

3. Subsidiaries not included in the consolidated financial statements

None.

4. Adjustments for subsidiaries with different accounting periods

None.

5. Major restrictions

None.

6. Subsidiaries with significant non-controlling interest for the Group

None.

(IV) Foreign Currency Translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (hereinafter referred to as the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Group's functional currency.

1. Foreign currency transactions and balance

- (1) Foreign currency transactions are translated into the functional currency using the spot exchange rate on the transaction date or measurement date. Exchange differences arising from such translations are recognized in profit or loss.

- (2) The balance of monetary assets or liabilities denominated in foreign currency is adjusted by the exchange rate prevailing at the balance sheet date, with the resulting differences recognized as gain or loss.
- (3) Non-monetary assets or liabilities denominated in foreign currency are adjusted by the spot exchange rate on the balance sheet date, with the resulting difference recognized in profit or loss if they are measured at fair value through profit or loss, or in other comprehensive income if they are measured at fair value through other comprehensive income. If they are not measured at fair value, they are measured by applying the historical exchange rate on the transaction date.

2. Translation of foreign operations financial statements

The results and financial position of associates and entities within the Group whose functional currency is not the presentation currency are translated into the presentation currency using the following procedures:

- (1) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (2) Income and expenses for each statement of comprehensive income (including comparatives) are translated at the average exchange rates for the period; and
- (3) All resulting exchange differences are recognized in other comprehensive income.

(V) Classification of Current and Non-current Assets and Liabilities

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

- (1) Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (2) They are held primarily for trading.
- (3) Those expected to be realized within 12 months after the end of the reporting period.
- (4) Cash or cash equivalents, except for those that are restricted from being exchanged or used to settle liabilities for at least twelve months after the end of the reporting period.

Otherwise they are classified as noncurrent assets.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

- (1) Liabilities expected to be settled within the normal operating cycle.
- (2) They are held primarily for trading.
- (3) Those due for settlement within 12 months after the end of the reporting period.
- (4) Liabilities for which the entity does not have the right to defer settlement for at least twelve months after the end of the reporting period.

Liabilities that do not meet the above criteria are classified as non-current liabilities by the Group.

(VI) Cash Equivalents

Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that fit the said definition and are intended to meet short-term operating cash commitments are classified as cash equivalents.

(VII) Financial Assets at Fair Value Through Profit or Loss

1. Financial assets that are not measured at amortized cost or at fair value through other comprehensive income (FVOCI).
2. The Group's financial assets measured at fair value through profit or loss are accounted for on a trade date basis.
3. At initial recognition, the Group measures financial assets at fair value plus relevant transaction costs, and subsequently, the Group measures the financial assets at fair value and its gain or loss is recognized in profit or loss.
4. The Group recognizes dividends income in profit or loss when (a) the Group's right to the dividends is established; (b) the economic benefits associated with dividends are probable to flow to the Group; and (c) such dividends can be reliably measured.

(VIII) Financial Assets at Fair Value Through Other Comprehensive Income

1. It refers to an irrevocable election made at initial recognition to present changes in the fair value of equity instruments not held for trading in other comprehensive income.
2. The Group's financial assets measured at fair value through other comprehensive income according to the trading conventions are accounted for on the trade date.
3. On initial recognition, the Group measures financial assets at fair value plus transaction costs. They are subsequently measured at fair value. For equity instruments designated as measured at fair value through other comprehensive income, changes in fair value are recognized in other comprehensive income. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are not reclassified to profit or loss and are transferred to retained earnings. The Group recognizes dividend income in profit or loss when (a) the Group's right to the dividends is established; (b) the economic benefits associated with dividends are probable to flow to the Group; and (c) such dividends can be reliably measured.

(IX) Financial Assets at Amortized Cost

1. Financial assets that simultaneously satisfy the following criteria are classified in this category:
 - (1) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
 - (2) 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.
2. The Group recognizes its time deposits not qualified as cash equivalents at the investment amount because they are held for a short period of time and so have insignificant discount effect.

(X) Accounts Receivable and Notes Receivable

1. Accounts receivable and notes receivable refer to the Company's unconditional right to receive consideration for the transfer of goods or services.
2. The Group measures short-term accounts receivable and notes receivables that do not bear an interest at the invoice value because they have insignificant discount effect.

(XI) Impairment of Financial Assets

At the end of each reporting period, the Group assesses financial assets at amortized cost, investments in debt instruments measured at fair value through other comprehensive income, and trade receivables (including those with a significant financing component), taking into account all reasonable and supportable information, including forward-looking information. For financial assets for which the credit risk has not increased significantly since initial recognition, the Group measures loss allowances at an amount equal to 12-month expected credit losses; for financial assets for which the credit risk has increased significantly since initial recognition, the Group measures loss allowances at an amount equal to lifetime expected credit losses; and for trade receivables or contract assets that do not contain a significant financing component, the Group measures loss allowances at an amount equal to lifetime expected credit losses.

(XII) Derecognition of Financial Assets

The Group derecognizes a financial asset when the contractual rights to receive cash flows from the financial asset expire.

(XIII) Inventory

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity), excluding borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated cost necessary for completion of the sale.

(XIV) Investment Accounted for Using the Equity Method — Associates

1. An associate refers to an associate over which the Group has no control but significant influence, typically those in which the Group has at least 20% of the total number of voting shares directly or indirectly. The Group accounts for investment in associates using the equity method and recognizes them at cost upon acquisition.
2. The Group's share of profit or loss in an associate after acquisition shall be recognized as current gain or loss, and its share of other comprehensive income after acquisition shall be recognized in other comprehensive income. When the Group's loss in any associate exceeds the equity (including any unsecured receivables) in such an associate, the Group does not recognize further losses except when any legal obligation or constructive obligation is incurred or the Group has made payment on behalf of the associate.
3. When an associate experiences equity changes not attributable to changes in any component of profit or loss or other comprehensive income and not impacting the Group's shareholding in such an associate, the Group accounts for such equity changes as "capital surplus" in proportion to its shareholding percentage.
4. Unrealized gain or loss arising from transactions between the Group and associates has been eliminated in proportion to the Group's shareholding percentage in the associates; unrealized loss is also eliminated unless evidence proves the impairment of the assets transferred in the transaction. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

5. If the Group loses significant influence over an associate, the Group shall account for all amounts recognized in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by an associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over the associate. If significant influence over the associate is retained, the Company reclassifies only a proportionate share of the amounts previously recognized in other comprehensive income in accordance with the above.
6. The Group performs impairment tests on investments in associates with indications of impairment at the balance sheet date by treating the investment, including goodwill, as a single asset and comparing its recoverable amount (the higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized reduces the carrying amount of the investment. Impairment loss is reversed to the extent of the subsequent increase in the recoverable amount of the investment.

(XV) Property, Plant and Equipment

1. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance is recognized in profit or loss when accrued.
3. Property, plant and equipment are subsequently measured at cost. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Property, plant and equipment are depreciated individually if they contain any significant components.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each end of reporting year. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	8–50 years
Machinery	5–12 years
Utilities equipment	10–15 years
Transportation equipment	4–5 years
Office equipment	5–10 years
Other equipment	2–15 years

(XVI) Lease Transactions of a Lessee - Right-of-use Assets/Lease Liabilities

1. The Group recognizes right-of-use assets and lease liabilities for all leases at the date when they are available for the Group's use. Low-value assets and short-term leases are recognized as expenses on a straight-line basis over the lease period.
2. The Group measures its lease liability at commencement date by discounting future lease payments using its incremental borrowing interest rate. Lease payments include:

Fixed payments, less any lease incentives receivable

Subsequently measured at amortized cost using the effective interest method, with interest expense recognized over the lease term. When a change in lease payments occurs not due to contract modification, lease liability will be remeasured, with such remeasurements adjusted to right-of-use assets.

3. Right-of-use assets are recognized at costs at the inception of the lease. Cost includes:

- (1) The initial lease liability measured;
- (2) Lease payments made before or at the inception of the lease;
- (3) Any original direct costs incurred.

Right-of-use assets are subsequently measured at costs. Depreciation of right-of-use assets is recognized at the earlier of the end of the useful life and the end of the lease term. When a lease liability is remeasured, the Company adjusts the carrying amount of the right-of-use asset to reflect any remeasurement of the lease liability.

(XVII) Intangible Assets

1. Computer software

Computer software is measured at the acquisition cost and amortized using the straight-line method over its estimated useful life of 2-12 years.

2. Goodwill

Goodwill arises from business combinations accounted for using the acquisition method.

3. Patent rights

Patents are amortized at a period of 13 years using the straight line method.

(XVIII) Impairment of Non-financial Assets

1. The Group assesses at the end of reporting period the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is an asset's fair value less costs to sell or its value in use, whichever is higher. When there is an indication that the impairment loss recognized in prior years for an asset other than goodwill decreases or no longer exists, the impairment loss is reversed to the extent of the loss previously recognized in profit or loss. However, the increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.
2. Goodwill, intangible assets with indefinite useful lives, and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication

that they may be impaired. Impairment is recognized when the recoverable amount is lower than the carrying amount. Impairment of goodwill is not reversed in subsequent periods.

(XIX) Borrowings

Borrowings mean short- and long-term loans borrowed from banks. Borrowings are initially recognized at the fair value less any transaction costs, and subsequently at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the borrowing period using the effective interest rate method.

(XX) Accounts Payable and Notes Payable

1. Accounts payable and notes payable arise from credit purchases of raw materials, goods, or services, as well as notes issued from both operating and non-operating activities.
2. The Group measures short-term non-interest-bearing accounts and notes payable at invoice amounts, as the effect of discounting is not material.

(XXI) Convertible Corporate Bonds Payable

The convertible bonds issued by the Group are embedded with conversion rights (i.e. holders have the right to convert the bonds into the Group's common shares with a fixed amount for a fixed number of shares) and repurchase options. At the time of initial issuance, the issuance price is divided into financial assets, financial liabilities or equity according to the issuance conditions, and the treatment is as follows:

1. Embedded resale rights and repurchase rights: at the time of initial recognition, the net fair value is stated as "financial assets or liabilities measured at fair value through profit and loss." Subsequently, the difference at the balance sheet date is recognized as "gain or loss on financial assets (liabilities) measured at fair value through profit or loss".
2. Master contract of corporate bonds: The difference between the fair value measurement at the time of initial recognition and the redemption value is recognized as the premium or discount of corporate bonds payable. Subsequently, the effective interest method is recognized in profit or loss as an adjustment item for "finance costs" on an amortized basis over the period of liquidity.
3. Embedded conversion options (complying with the definition of equity): at the time of initial recognition, the residual value of the issued amount after deducting the above-mentioned "financial assets or liabilities at fair value through profit or loss" and "corporate bonds payable" is accounted for as "capital surplus - options" and will not be remeasured subsequently.
4. The transaction costs directly attributable to the issuance are allocated to the components of each liability and equity in accordance with the original carrying amount of each of the above-mentioned components.
5. Upon conversion by the holders, the liabilities components (including "corporate bonds payable" and "financial assets or liabilities measured at fair value through profit or loss") are accounted for in accordance with the subsequent measurement methods of their classification, and then the carrying amount of the aforementioned liability components plus the carrying amount of "capital surplus - stock options" is used as the issuance cost of the common shares exchanged.

(XXII) Derecognition of Financial Liabilities

The Group derecognizes financial liabilities when, and only when, the obligations are discharged, canceled, or expire.

(XXIII) Provisions for Liabilities

Provisions (sales returns and allowances) are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(XXIV) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

2. Pension

(1) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund from the plan or a reduction in future contributions to the plan.

(2) Defined benefit plans

A. The net obligation under a defined benefit plan is the present value of the defined benefit obligation less the fair value of plan assets. The defined benefit obligation is the present value of the expected future benefits that employees have earned in return for their services in the current and prior periods. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The discount rate is determined by reference to market yields at the end of the reporting period on high-quality corporate bonds that are denominated in the same currency and have maturities consistent with those of the defined benefit obligations. In countries where there is no deep market for such bonds, the market yields on government bonds at the end of the reporting period are used.

B. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Past service costs are recognized immediately in profit or loss.

3. Employee compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. Any difference between the amount accrued and the amount actually distributed is accounted for as a

change in accounting estimate. When employee compensation is appropriated in shares, the basis for calculating the number of shares shall be the closing price at the date before the date the Board of Directors resolves on the appropriation.

(XXV) Income Tax

1. The tax expense comprises current tax and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax charge is calculated by applying the taxable income to the tax rate specified in the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. Where appropriate, management also estimate income tax liabilities based on the amounts expected to be paid to the tax authorities. An additional income tax is levied on unappropriated retained earnings in accordance with the Income Tax Act and is recognized as income tax expense in the year following the year in which the earnings are generated, when the shareholders' meeting approves the earnings appropriation proposal, based on the actual distribution of earnings.
3. Deferred income tax is recognized using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. The deferred income tax liabilities arising from the initially recognized goodwill shall not be recognized. If the deferred income tax is derived from the initial recognition of the assets or liabilities in the transaction (excluding business merger), and if it does not affect the accounting profit or taxable income (tax loss) and does not generate an equivalent taxable and deductible temporary difference, it is not recognized. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
5. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
6. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development

expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(XXVI) Share Capital

1. Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are recognized in equity as a deduction from the proceeds, net of tax.
2. When the Group repurchases its issued shares, the consideration paid, including any directly attributable incremental costs, is recognized as a deduction from equity, net of tax. During the subsequent reissuance of repurchased shares, any directly attributable additional costs and income tax are deducted from the consideration received, and the difference from the carrying amount is then recognized as an adjustment of shareholders' equity.

(XXVII) Dividends Appropriation

Dividends distributed to the Group's shareholders are recognized in the financial statements when the Board of Directors resolves the distribution. Cash dividends are recognized as a liability.

(XXVIII) Recognition of Revenue

Sale of goods

1. The Group manufactures and sells electronic parts, magnet cores, multilayer wire-wound and other wire-wound products. Sales revenue is recognized when the control of products is transferred to clients, i.e., when products are delivered to clients to be handled at their discretion and the Group has no unperformed further obligation that may impact clients from accepting the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
2. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(XXIX) Government Grants

Government grants are recognized at their fair value when there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognized as non-current liabilities and are amortized to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(XXX) Business Combinations

1. The Group uses the acquisition method for business combinations. The acquisition

consideration is calculated based on the fair value of transferred assets, incurred or assumed liabilities, and issued equity instruments. The transfer consideration includes the fair value of any assets and liabilities arising from contingent consideration agreements. Acquisition-related costs are recognized as expenses when incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date. On a transaction-by-transaction basis, for components of non-controlling interests 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 chooses to measure them either at fair value at the acquisition date or at the proportionate share of the acquiree's identifiable net assets attributable to the non-controlling interests; all other components of non-controlling interests are measured at fair value at the acquisition date.

2. If the aggregate of the transfer consideration, the non-controlling interests in the acquiree, and the fair value of previously held equity interests in the acquiree exceeds the fair value of the identifiable assets acquired and liabilities assumed, the excess is recognized as goodwill at the acquisition date. If the fair value of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the transfer consideration, the non-controlling interests in the acquiree, and the fair value of previously held equity interests in the acquiree, the difference is recognized as profit or loss in the current period at the acquisition date.

(XXXI) Operating segments

The information on operating segments is reported in a manner consistent with the way the internal management report is provided to management. The chief operating decision maker is responsible for allocating resources to operating segments and assessing their performance. The Group has identified the Board of Directors as the chief operating decision maker.

V. Significant Accounting Judgments, Estimates, and Major Sources of Uncertainty for Assumptions

When preparing these consolidated financial statements, management has exercised its judgment in determining the accounting policies to be applied and has made accounting estimates and assumptions based on reasonable expectations of how future events will develop under the circumstances existing at the balance sheet date. The significant accounting estimates and assumptions being made may deviate from the actual outcomes and will be consistently measured and adjusted in accordance with historical experience and for other factors. Such estimates and assumptions may lead to the risk of significant adjustment being made to the carrying amount of the assets and liabilities on the balance sheet. Significant accounting judgments and the uncertainty in accounting estimates and assumptions are stated below:

(I) Significant Judgments in Applying Accounting Policies

Please see the description in Note 6(5)5.

(II) Significant Accounting Estimates and Assumptions

Since inventory is measured at the lower of costs and the net realizable value, the Group needs to exercise judgment and estimates to determine the net realizable value of inventory at the balance sheet date. Since the value of inventories is subject to fluctuations in market prices and product life cycles, the Group assesses, at the balance sheet date, the amount of inventories that are obsolete or have no marketability, and writes inventories down to net realizable value. This

inventory evaluation is mainly based on the current market conditions and past historical experience, so there may be major changes.

As of December 31, 2025, the carrying amount of the inventories of the Group was NT\$1,167,977.

VI. Description of Significant Accounts

(I) Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on hand and revolving funds	\$ 1,623	\$ 2,593
Checking deposits and demand deposits	1,389,527	1,127,595
Time deposits	866,447	650,809
Total	<u>\$ 2,257,597</u>	<u>\$ 1,780,997</u>

1. Since the Group corresponds with multiple financial institutions with good credit quality to diversify credit risks, the risk of default is expected to be low.
2. The Group did not pledge any cash and cash equivalents as collaterals.

(II) Notes and Accounts Receivable

	December 31, 2025	December 31, 2024
Notes receivable	<u>\$ 79,625</u>	<u>\$ 36,806</u>
Accounts receivable	\$ 2,335,276	\$ 1,997,803
Less: Allowance for losses	<u>(1,442)</u>	<u>(1,455)</u>
	<u>\$ 2,333,834</u>	<u>\$ 1,996,348</u>
Accounts receivable due from related parties	\$ 162,737	\$ 129,578
Less: Allowance for losses	<u>(89)</u>	<u>(89)</u>
	<u>\$ 162,648</u>	<u>\$ 129,489</u>

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

	December 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not yet due	\$ 2,471,765	\$ 79,625	\$ 2,125,571	\$ 36,806
Within 30 days	26,041	-	1,810	-
31-90 days	162	-	-	-
91-180 days	45	-	-	-
	<u>\$ 2,498,013</u>	<u>\$ 79,625</u>	<u>\$ 2,127,381</u>	<u>\$ 36,806</u>

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

2. The accounts and bills receivables in December 31, 2025 and 2024 were all due to client contracts, and the balance of receivables from client contracts as of January 1, 2024 was NT\$1,610,327.
3. Without considering the collateral held or other credit enhancements; the maximum exposure amounts for credit risks that can best represent the Group's bills receivable as of December 31, 2025 and 2024 were NT\$79,625 and NT\$36,806, respectively; and the maximum credit risk amounts that can best represent the Group's accounts receivable as of December 31, 2025 and 2024 were NT\$2,496,482 and NT\$2,125,837, respectively.
4. Credit risks associated with accounts receivable and notes receivable are stated in Note 12(2).

(III) Inventory

December 31, 2025			
	Cost	Allowance for inventory valuation	Carrying amount
Raw materials	\$ 341,423	(\$ 11,858)	\$ 329,565
Supplies	31,789	(3,646)	28,143
Work in process	384,188	(26,494)	357,694
Finished products	426,571	(23,808)	402,763
Goods	53,020	(3,208)	49,812
Total	<u>\$ 1,236,991</u>	<u>(\$ 69,014)</u>	<u>\$ 1,167,977</u>
December 31, 2024			
	Cost	Allowance for inventory valuation	Carrying amount
Raw materials	\$ 211,787	(\$ 10,272)	\$ 201,515
Supplies	22,947	(2,585)	20,362
Work in process	334,976	(22,582)	312,394
Finished products	355,674	(23,031)	332,643
Goods	31,852	(2,316)	29,536
Total	<u>\$ 957,236</u>	<u>(\$ 60,786)</u>	<u>\$ 896,450</u>

1. The inventory costs recognized as expenses by the Group in this period:

	2025	2024
Cost of inventory sold	\$ 4,687,843	\$ 3,985,695
Inventory valuation decline (reversal gain)	8,963	(10,735)
Others	181,183	199,171
	<u>\$ 4,877,989</u>	<u>\$ 4,174,131</u>

In 2024, the Group's net realizable inventory value increased due to continuous inventory depletion.

2. The Group did not pledge any inventory as collaterals.

(IV) Financial Assets at Fair Value Through Other Comprehensive Income

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Equity instruments		
Shares listed on the stock exchange or the OTC market	\$ 55,157	\$ 55,157
Shares not traded on the stock exchange, the OTC market, or the emerging stock market	<u>365,534</u>	<u>210,399</u>
	420,691	265,556
Adjustments for change in value	<u>299,231</u>	<u>302,078</u>
Total	<u>\$ 719,922</u>	<u>\$ 567,634</u>

1. The Group has classified strategic investment stocks as financial assets measured at fair value through other comprehensive income. The fair values of these investments as of December 31, 2025 and 2024 were NT\$719,922 and NT\$567,634, respectively.
2. In 2024, the Group disposed of investments in unlisted, TPEX-listed, and emerging stock market-listed shares, with a fair value of NT\$179,806, as part of its strategic investment adjustments, and recognized a gain on disposal of NT\$158,609.
3. The breakdown of financial assets measured at fair value through other comprehensive income, including amounts recognized in profit or loss and other comprehensive income, is as follows:

	<u>2025</u>	<u>2024</u>
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Changes in fair value recognized in other comprehensive income	(\$ 2,847)	\$ 107,717
Transfer of accumulated profit or loss to retained earnings due to derecognition	<u>\$ -</u>	<u>(\$ 158,609)</u>
Dividend income recognized in profit or loss held at end of year	\$ 13,812	\$ 5,176
Derecognized during this period	<u>-</u>	<u>17,975</u>
	<u>\$ 13,812</u>	<u>\$ 23,151</u>

4. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk of financial assets measured at fair value through other comprehensive income was NT\$719,922 and NT\$567,634 as of December 31, 2025 and 2024, respectively.
5. The Group did not pledge any financial assets at fair value through other comprehensive income as collaterals.

(V) Investment Accounted for Using the Equity Method

	December 31, 2025	December 31, 2024
Associate:		
APAQ Technology Co., Ltd.	\$ 1,906,637	\$ 1,717,727
SUPERWORLD HOLDINGS (S) PTE. LTD.	844,136	460,806
	<u>\$ 2,750,773</u>	<u>\$ 2,178,533</u>

1. Below is the information about the Group's significant associates:

Company name	Main business premises	Shareholding ratio		Nature of relationship	Measuring method
		December 31, 2025	December 31, 2024		
APAQ Technology Co., Ltd.	Taiwan	27.20% (Note)	28.10%	Business strategy	Equity method

(Note) The Group's shareholding ratio decreased to 27.20% due to the issuance of restricted shares and the cancellation of restricted shares by APAQ Technology following their repurchase from employees.

2. The summarized financial information of the major associates of the Group is as follows:

Balance sheet

	APAQ Technology Co., Ltd. and Subsidiaries	
	December 31, 2025	December 31, 2024
Current assets	\$ 4,694,950	\$ 4,079,702
Non-current assets	3,997,477	2,793,049
Current liabilities	(3,651,425)	(2,627,835)
Non-current liabilities	(145,496)	(206,156)
Non-controlling interests	(96,037)	(118,286)
Fair value adjustment of other intangible and tangible net assets	383,020	436,014
Adjusted total net assets	<u>\$ 5,182,489</u>	<u>\$ 4,356,488</u>
Share of net total assets of associates	\$ 1,409,637	\$ 1,224,173
Goodwill	523,825	523,825
Others	(26,825)	(30,271)
Carrying amount of associate	<u>\$ 1,906,637</u>	<u>\$ 1,717,727</u>

Statement of comprehensive income

	APAQ Technology Co., Ltd. and Subsidiaries	
	2025	2024
Revenue	\$ 4,474,668	\$ 3,495,668
Profit from continuing operations	\$ 622,024	\$ 511,815
Other comprehensive income (net of income tax)	410,598	673,964
Total comprehensive income (loss) for the current period	\$ 1,032,622	\$ 1,185,779
Dividends received from associates	\$ 87,046	\$ 57,500

3. A major associate of the Group, APAQ Technology Co., Ltd., has quotations in the open market. The fair value on December 31, 2025 and 2024 was NT\$4,075,000 and NT\$3,712,500, respectively.
4. In 2025 and 2024, the investment income from APAQ Technology Co., Ltd. recognized under the equity method was NT\$162,722 and NT\$124,725, respectively, based on the financial statements issued by other CPAs for the same period.
5. The Group holds 27.20% of the total number of voting shares of APAQ Technology Co., Ltd., making the Group the single largest shareholder. Since the quantities and dispersion of voting shares held by others were not widely dispersed and the governance body of the Group varies from that of the above companies, the Group is unable to direct the relevant activities of the above companies, hence no control over it. The Group believes it has only significant influence over the above companies and therefore recognizes APAQ Technology Co., Ltd. as its associate.
6. As of December 31, 2024, the Group held 26.67% of the voting rights in JDX Technology Co., Ltd. and was the single largest shareholder. However, considering the relative size and distribution of voting rights held by other shareholders, which were not highly dispersed, and the fact that the Group and JDX Technology have different key management personnel, the Group was unable to direct the relevant activities of JDX Technology and therefore did not have control. The Group believes it has only significant influence over the above companies and therefore recognizes APAQ Technology Co., Ltd. as its associate. In November 2024, the Group acquired additional shares in JDX Technology Co., Ltd., thereby gaining control over the company and making it a new consolidated entity. Please refer to Note 6(28) for details on business combination.
7. The carrying amount and share of operating results of associates not individually material to the Group are summarized as follows:

As of December 31, 2025 and 2024, the total carrying amounts of these associates were NT\$844,136 thousand and NT\$460,806 thousand, respectively.

2025	2024
------	------

Current net income (loss) of continuing operations	\$	41,414	\$	12,329
Other comprehensive income (net of income tax)		<u>90,000</u>		<u>-</u>
Total comprehensive income (loss) for the current period	\$	<u>131,414</u>	\$	<u>12,329</u>

8. The Group originally held a 10% equity interest in SUPERWORLD HOLDINGS (S) PTE. LTD., which was classified as a financial asset measured at fair value through other comprehensive income. In October 2024, the Group paid NT\$261,360 to acquire 2,700 thousand shares, increasing its shareholding to 23.5%, and accordingly applied the equity method of accounting. The purchase price allocation report has been completed, and a bargain purchase gain of NT\$300,122 was recognized and recorded under other income. Please refer to Note 6(21).

(VI) Property, Plant and Equipment

2025									
	Land	Buildings and structures	Machinery	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total
January 1									
Cost	\$ 984,225	\$ 736,083	\$ 5,894,662	\$ 25,054	\$ 11,487	\$ 62,686	\$ 412,722	\$ 100,647	\$ 8,227,566
Accumulated depreciation and impairment	-	(317,118)	(3,218,526)	(19,248)	(10,132)	(46,419)	(257,830)	-	(3,869,273)
	<u>\$ 984,225</u>	<u>\$ 418,965</u>	<u>\$ 2,676,136</u>	<u>\$ 5,806</u>	<u>\$ 1,355</u>	<u>\$ 16,267</u>	<u>\$ 154,892</u>	<u>\$ 100,647</u>	<u>\$ 4,358,293</u>
January 1	\$ 984,225	\$ 418,965	\$ 2,676,136	\$ 5,806	\$ 1,355	\$ 16,267	\$ 154,892	\$ 100,647	\$ 4,358,293
Addition	240	4,406	90,221	-	500	9,090	82,025	333,564	520,046
Disposal	-	-	(28,226)	-	-	-	(218)	(418)	(28,862)
Reclassification	-	28,711	140,155	-	8,386	9,158	32,081	(218,491)	-
Depreciation expenses	-	(33,685)	(394,107)	(1,012)	(1,824)	(7,845)	(66,284)	-	(504,757)
Impairment	-	(31,629)	(57,003)	(33)	-	-	(2,372)	-	(91,037)
Net exchange differences	2,195	698	(25,195)	-	144	314	(5,058)	14,744	(12,158)
December 31	<u>\$ 986,660</u>	<u>\$ 387,466</u>	<u>\$ 2,401,981</u>	<u>\$ 4,761</u>	<u>\$ 8,561</u>	<u>\$ 26,984</u>	<u>\$ 195,066</u>	<u>\$ 230,046</u>	<u>\$ 4,241,525</u>
December 31									
Cost	\$ 986,660	\$ 763,348	\$ 5,681,971	\$ 25,040	\$ 20,012	\$ 78,639	\$ 498,326	\$ 230,046	\$ 8,284,042
Accumulated depreciation and impairment	-	(375,882)	(3,279,990)	(20,279)	(11,451)	(51,655)	(303,260)	-	(4,042,517)
	<u>\$ 986,660</u>	<u>\$ 387,466</u>	<u>\$ 2,401,981</u>	<u>\$ 4,761</u>	<u>\$ 8,561</u>	<u>\$ 26,984</u>	<u>\$ 195,066</u>	<u>\$ 230,046</u>	<u>\$ 4,241,525</u>

2024

	Land	Buildings and structures	Machinery	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total
January 1									
Cost	\$ 777,560	\$ 590,845	\$ 5,644,458	\$ 25,018	\$ 11,611	\$ 58,766	\$ 342,246	\$ 25,212	\$ 7,475,716
Accumulated depreciation and impairment	-	(280,130)	(2,815,129)	(18,182)	(9,476)	(40,125)	(212,180)	-	(3,375,222)
	<u>\$ 777,560</u>	<u>\$ 310,715</u>	<u>\$ 2,829,329</u>	<u>\$ 6,836</u>	<u>\$ 2,135</u>	<u>\$ 18,641</u>	<u>\$ 130,066</u>	<u>\$ 25,212</u>	<u>\$ 4,100,494</u>
January 1	\$ 777,560	\$ 310,715	\$ 2,829,329	\$ 6,836	\$ 2,135	\$ 18,641	\$ 130,066	\$ 25,212	\$ 4,100,494
Addition	-	-	62,870	-	172	3,530	79,785	555,797	702,154
Disposal	-	(15,619)	(4,177)	-	(35)	-	(210)	-	(20,041)
Reclassification	205,022	139,651	131,755	-	-	853	6,729	(484,010)	-
Depreciation expenses	-	(29,681)	(436,242)	(1,030)	(937)	(7,122)	(61,041)	-	(536,053)
Impairment loss reversed	-	-	3,079	-	-	-	-	-	3,079
Net exchange differences	1,643	13,899	89,522	-	20	365	(437)	3,648	108,660
December 31	<u>\$ 984,225</u>	<u>\$ 418,965</u>	<u>\$ 2,676,136</u>	<u>\$ 5,806</u>	<u>\$ 1,355</u>	<u>\$ 16,267</u>	<u>\$ 154,892</u>	<u>\$ 100,647</u>	<u>\$ 4,358,293</u>
December 31									
Cost	\$ 984,225	\$ 736,083	\$ 5,894,662	\$ 25,054	\$ 11,487	\$ 62,686	\$ 412,722	\$ 100,647	\$ 8,227,566
Accumulated depreciation and impairment	-	(317,118)	(3,218,526)	(19,248)	(10,132)	(46,419)	(257,830)	-	(3,869,273)
	<u>\$ 984,225</u>	<u>\$ 418,965</u>	<u>\$ 2,676,136</u>	<u>\$ 5,806</u>	<u>\$ 1,355</u>	<u>\$ 16,267</u>	<u>\$ 154,892</u>	<u>\$ 100,647</u>	<u>\$ 4,358,293</u>

1. The amounts of interest capitalization in 2025 and 2024 were NT\$0.
2. The Group's significant components of buildings and structures, including buildings and engineering systems, are depreciated over 20-50 years and 8-10 years, respectively.
3. For information on pledged property, plant and equipment, refer to Note 8.

(VII) Lease Transactions - Lessee

1. The underlying assets of the Group's lease include land use right, buildings and multi-function peripherals. The lease duration usually lasts 3 to 50 years. Lease contracts are agreed upon individually and contain different terms and conditions. Except for land use right, leased assets shall not be used as collaterals and are not restricted in any way.
2. The lease term of the buildings and warehouses leased by the Group is less than 12 months. The low-value underlying asset of the Group's lease are photocopiers.
3. The information on the carrying amount of the right-of-use asset and the recognized depreciation expense is as follows:

	December 31, 2025	December 31, 2024
	Carrying amount	Carrying amount
Right-of-use land	\$ 25,878	\$ 27,122
Buildings	4,898	6,924
Transportation equipment	2,350	-
Machinery and equipment	479	763
	<u>\$ 33,605</u>	<u>\$ 34,809</u>

	2025	2024
	Depreciation expenses	Depreciation expenses
Right-of-use land	\$ 696	\$ 719
Buildings	2,027	2,269
Transportation equipment	67	1,310
Machinery and equipment	284	352
	<u>\$ 3,074</u>	<u>\$ 4,650</u>

4. Profit or loss items in relation to lease contracts are as follows:

	2025	2024
<u>Items that affect profit or loss</u>		
Expenses attributable to short-term lease contracts	\$ 22,445	\$ 20,840
Expenses attributable to low-value assets	161	101

5. The Group's right-of-use asset increased by NT\$2,417 and NT\$561 for 2025 and 2024, respectively.
6. The Group's total cash outflows for leases amounted to NT\$24,984 and NT\$25,023 for the years ended 2025 and 2024, respectively.

(VIII) Other Non-Current Assets

	December 31, 2025	December 31, 2024
Refundable deposits	\$ 14,792	\$ 7,558
Pre-payments for construction and equipment	173,368	64,055
Overdue receivables	3,142	1,252
Allowance for doubtful accounts – overdue receivables	(3,142)	(1,252)
	<u>\$ 188,160</u>	<u>\$ 71,613</u>

(IX) Impairment of Non-Financial Assets (None for the Year Ended December 31, 2024)

1. The impairment losses recognized by the Group in 2025 are as follows:

	2025	
	Recognized in current period profit or loss	Recognized in other comprehensive income (OCI)
Impairment loss – machinery and equipment etc.	<u>\$ 91,037</u>	<u>\$ -</u>

2. In line with adjustments to its production and procurement strategies, the Group recognized an impairment loss of NT\$91,037 on property, plant and equipment, with the carrying amounts written down to their respective recoverable amounts.

(X) Short-Term Borrowings

Nature of borrowings	December 31, 2025	Interest rate range	Collaterals
Bank loan			
Credit loan	\$ 180,000	1.81%	-
Secured loan	200,000	1.82%	Land, buildings, and structures
	<u>\$ 380,000</u>		
Nature of borrowings	December 31, 2024	Interest rate range	Collaterals
Bank loan			
Credit loan	\$ 230,000	1.80%–1.98%	-
Secured loan	100,000	1.89%	Land, buildings, and structures
	<u>\$ 330,000</u>		

The interest expense recognized in profit or loss of short-term borrowings in 2025 and 2024 were NT\$11,391 and NT\$2,210, respectively.

(XI) Other Payables

	December 31, 2025	December 31, 2024
Salary and bonus payables	\$ 221,371	\$ 185,838
Social benefits liabilities payable	128,857	93,789
Employee compensation and directors' and supervisors' remuneration payable	95,022	64,538
Construction and equipment payable	93,917	48,645
Others	202,644	195,146
	<u>\$ 741,811</u>	<u>\$ 587,956</u>

(XII) Corporate Bonds Payable

	December 31, 2025	December 31, 2024
Corporate bonds payable	\$ 930,600	\$ 1,099,900
Less: Discount of corporate bond payable	(12,982)	(33,474)
	917,618	1,066,426
Less: Corporate bonds maturing within one year or one operating cycle or repurchase rights exercised	(917,618)	-
	<u>\$ -</u>	<u>\$ 1,066,426</u>

1. Domestic convertible bonds issued by the Group

The conditions for the Group's issuance of the first domestic unsecured convertible corporate bonds are as follows

- (1) The Group was approved by the competent authority to issue the first domestic unsecured convertible corporate bonds. The total amount to be issued is NT\$1,100,000, the coupon rate of 0%, the issuance period of 3 years, and the circulation period from October 31, 2023 to October 31, 2026. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The convertible bonds were listed for trading on the Taipei Exchange on October 31, 2023.
- (2) From the day following the expiry of three months after the issuance date to the maturity date, holders of the convertible corporate bonds may, except during (1) the statutory book closure period for share transfer; (2) the period from 15 business days prior to the book closure date for stock dividends, cash dividends, or cash capital increase subscription to the record date; (3) the period from the record date of capital reduction to the day prior to the commencement of trading of the new shares issued after capital reduction; and (4) the suspension period for conversion due to changes in share par value, at any time instruct a securities broker to notify the Taiwan Depository & Clearing Corporation and request the Group's share transfer agent to convert the bonds into common shares of the Group in accordance with the relevant regulations. The rights and obligations of the shares after conversion are identical to those of the Group's originally issued common shares.

- (3) The conversion price of the convertible corporate bonds is determined in accordance with the pricing formula stipulated in the conversion terms. The conversion price is subject to adjustment in accordance with such formula upon the occurrence of any of the following events: an increase in the number of outstanding common shares of the Group (including through issuance or private placement); distribution of cash dividends on common shares; issuance (including private placement) of securities with conversion or subscription rights to common shares at a price lower than the prevailing market price per share; or a decrease in the number of common shares resulting from a capital reduction not arising from the cancellation of treasury shares. On December 24, 2025, the Group adjusted the conversion price to NT\$ 107.4 in accordance with the conversion regulations.
- (4) When, during the period from the day following the third month after the issuance date to 40 days prior to the expiry of the issuance period, the closing price of the Group's common shares has exceeded the conversion price by 30% or more for 30 consecutive business days, the Group may, within the following 30 business days, issue a registered "Bond Redemption Notice" (with a 30-day notice period) to the bondholders and request the Taipei Exchange to make a public announcement. The bonds shall be redeemed in cash at par value within five business days after the redemption date.
- (5) In accordance with the conversion regulations, all the convertible corporate bonds recovered (including repurchased from the Taipei Exchange), repaid or converted by the Group shall be cancelled and may not be re-sold or re-issued, and the conversion rights attached shall also be extinguished.
- (6) When issuing the convertible bonds, the Group separated the equity conversion option and each component of liability in accordance with IAS No. 32 "Financial Instruments: Presentation," and accounted for NT\$55,190 as "Capital surplus - stock options." In addition, the embedded repurchase options were not closely related to the economic characteristics and risks of the debt instrument of the host contract in accordance with IFRS 9 "Financial Instruments," so they were separated and accounted for in the net amount of "Financial assets measured at fair value through profit or loss." After the separation, the effective interest rate of the main contract debt was 1.7%.
- (7) As of December 31, 2025, the bonds with a face value of NT\$169,400 had been converted into 1,558,565 ordinary shares.

(XIII) Long-Term Borrowings

Nature of borrowings	Loan period and means of repayment	Interest rate range	Collaterals	December 31, 2025
Secured loan	Principal and interest are repayable in monthly installments from August 2021 to August 2036.	1.75%	Land, buildings, and structures	\$ 402,489
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are repayable in monthly installments from April 2025 to March 2029.	1.28%	-	184,023
Secured loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are repayable in monthly installments from April 2025 to March 2029.	1.23%–1.28%	Machinery	299,000
Credit loan	The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are repayable in monthly installments from April 2026 to February 2030.	1.28%	-	220,000
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are repayable in monthly installments from April 2025 to March 2027.	1.23%	-	156,250
Credit loan	The period from November 2024 to October 2025 is the grace period, and interest is paid monthly. Principal and interest are repayable in monthly installments from November 2025 to October 2029.	2.22%	-	4,792
Secured loan	The credit facility may be utilized on a revolving basis before April 2027, with interest payable monthly.	1.82%	Land, buildings, and structures	100,000
				1,366,554
Less: Current portion of long-term borrowings				(354,734)
				<u>\$ 1,011,820</u>

Nature of borrowings	Loan period and means of repayment	Interest rate range	Collaterals	December 31, 2024
Secured loan	Principal and interest are repayable in monthly installments from August 2021 to August 2036.	1.75%	Land, buildings, and structures	\$ 440,222
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are repayable in monthly installments from April 2025 to March 2029.	1.28%	-	226,490
Secured loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are repayable in monthly installments from April 2025 to March 2029.	1.23%–1.28%	Machinery	368,000
Credit loan	The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are repayable in monthly installments from April 2026 to February 2030.	1.28%	-	220,000
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are repayable in monthly installments from April 2025 to March 2027.	1.23%	-	250,000
Credit loan	The period from November 2024 to October 2025 is the grace period, and interest is paid monthly. Principal and interest are repayable in monthly installments from November 2025 to October 2029.	2.22%	-	<u>5,000</u>
				1,509,712
Less: Current portion of long-term borrowings				(<u>243,158</u>)
				<u>\$ 1,266,554</u>

In 2025 and 2024, the interest expenses recognized in profit or loss for long-term borrowings were NT\$21,959 and NT\$20,953, respectively.

(XIV) Pension

- (1) The Group has established a defined benefit retirement plan in accordance with the Labor Standards Act, which applies to the service years of all regular employees prior to the enforcement of the Labor Pension Act on July 1, 2005, as well as to the subsequent service years of employees who elected to continue being subject to the Labor Standards Act after the implementation of the Labor Pension Act. Pensions for

employees qualified for retirement are calculated based on their servicing years and their average salaries of the 6 months prior to their retirement. Two bases are given for each full year of service rendered within 15 years. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The Group contributes monthly an amount equal to 3% of total monthly salaries to a retirement fund, which is maintained in a designated account with Bank of Taiwan under the name of the Labor Pension Reserve Supervisory Committee. In addition, the Group estimates the balance of the said designated pension account before the end of year. If the balance is not sufficient to cover the amount to be paid to all employees – calculated in the manner specified above – who will qualify for retirement next year, a lump-sum deposit should be made before the end of March of the following year to cover the difference. In accordance with the Labor Standards Act and the Labor Pension Act, the Group has already settled the length of services for some employees choosing the old pension scheme in 2022.

- (2) The Group is obligated to pay retirement pensions to the directors and chairman of the board who were employees, which is calculated at 6% of the monthly salary according to the “Directors’ Salary and Remuneration Measures.”
- (3) The amounts recognized in the balance sheet are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	\$ 1,826	\$ 1,415
Fair value of plan assets	(10,454)	(9,632)
Net defined benefit assets	(\$ 8,628)	(\$ 8,217)

- (4) As of 2025 and 2024, the pension costs recognized in the manner specified above were NT\$1,188 and NT\$361.
2. (1) Since July 1, 2005, the Group has adopted a defined contribution retirement plan under the “Labor Pension Act,” applicable to Taiwanese employees. For employees of the Group and its domestic subsidiaries who choose to participate in the “Labor Pension Act,” the Company contributes 6% of monthly salaries to their individual pension accounts with the Bureau of Labor Insurance. Employee pension benefits are paid either in monthly installments or in a lump sum based on the accumulated balances in the individual pension accounts and related investment returns.
- (2) TAI-TECH Advanced Electronics (Kunshan) Co., Ltd., TAIPAQ Electronic Components (Si-Hong) Co., Ltd., and TAIPAQ Electronic Components (Shenzhen) Co., Ltd. contribute monthly to the pension insurance scheme in accordance with the regulations of the People’s Republic of China. The contributions are calculated based on a prescribed percentage of the total monthly salaries of local employees. For the years ended December 31, 2025 and 2024, the contribution rates ranged from 16% to 17% and 16%, respectively. Employee pension benefits are administered by the government. Except for making monthly contributions, the Group has no further obligation.

- (3) Techworld Electronics (M) Sdn. Bhd has established a defined contribution plan in accordance with local laws, and contributes to the public fund account on a monthly basis in accordance with the statutory percentage.
- (4) For the years ended December 31, 2025 and 2024, the pension costs recognized by the Group under the above pension plans amounted to NT\$83,246 and NT\$72,519, respectively.

(XV) Share Capital

1. As of December 31, 2025 and 2024, the Group's authorized capital was NT\$ 3,000,000 (of which NT\$ 20,000 was reserved for the issuance of employee stock warrants), paid-in capital was NT\$ 1,105,926 and NT\$ 1,020,349, respectively, and par value per share was NT\$ 10. All proceeds for share subscription were collected in full.
2. On November 10, 2025, the Board of Directors resolved to conduct a capital increase through a private placement. The record date of the private placement was November 24, 2025. The proceeds were intended to provide working capital and repay bank borrowings. A total of 7,000 thousand shares were issued at a subscription price of NT\$114.10 per share. The capital increase has raised NT\$798,700, and the change registration has been completed. The rights and obligations of the privately placed common shares are the same as those of the outstanding common shares, except for the restrictions on transfer under the Securities and Exchange Act and that such shares may not be listed or traded on the OTC market until three years after the date of delivery and after completing public issuance procedures.
3. The Company issued convertible bonds, and the details of their conversion into shares are provided in Note 6(12).1.(7). The registration of change was completed on March 2, 2026.

(XVI) Capital Surplus

1. Under the Company Act, capital surplus arising from shares issued at premium or from donation may be used for offsetting deficit. Furthermore, if the Company has no accumulated loss, capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original shareholding percentage. According to the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use capital surplus to offset loss only when the amount of reserves is insufficient to offset the loss.

2. The capital reserve is detailed as follows:

2025						
	Additional paid-in capital	Changes in ownership interests in subsidiaries	Changes in net equity of associates	Net assets from merger	Stock options	Total
January 1	\$1,784,014	\$ 12,353	\$ 778	\$ 2,046	\$ 55,185	\$1,854,376
Convertible corporate bond conversion	159,522	-	-	-	(8,495)	151,027
Cash Capital Increase through Private Placement	728,700	-	-	-	-	728,700
Investments accounted for using the equity method that are not subscribed in proportion to their ownership percentage	-	-	(778)	-	-	(778)
Changes in subsidiaries recognized under the equity method	-	21	-	-	-	21
December 31	<u>\$ 2,672,236</u>	<u>\$ 12,374</u>	<u>\$ -</u>	<u>\$ 2,046</u>	<u>\$ 46,690</u>	<u>\$2,733,346</u>

2024						
	Additional paid-in capital	Changes in ownership interests in subsidiaries	Changes in net equity of associates	Net assets from merger	Stock options	Total
January 1	\$1,783,921	\$ 12,353	\$ 769	\$ 2,046	\$ 55,190	\$1,854,279
Convertible corporate bond conversion	93	-	-	-	(5)	88
Changes in associates and joint ventures accounted for using the equity method	-	-	9	-	-	9
December 31	<u>\$1,784,014</u>	<u>\$ 12,353</u>	<u>\$ 778</u>	<u>\$ 2,046</u>	<u>\$ 55,185</u>	<u>\$1,854,376</u>

(XVII) Retained Earnings

1. According to the Group's Articles of Incorporation, if the Group has any earnings in the final account, they should be used to pay off all the taxes and duties, as well as to compensate prior deficits. The remaining amount, if any, should be appropriated in the following order of presentation: 10% as legal reserve until it reaches the Group's paid-in capital; set aside or reverse a certain amount as or of special reserve according to operating needs or laws or regulations; the remainder plus unappropriated earnings from prior years may be used to appropriate dividends or bonuses to shareholders after an earnings appropriation proposal is drafted by the Board of Directors and resolved in favor by the shareholders meeting. As required by Article 240 of the Company Act, if approved by a majority vote at a Board of Directors' meeting attended by two thirds of directors, the Board of Directors may appropriate dividends or bonuses in cash with its existing

legal reserve or capital surplus, and shall report to the shareholder's meeting. In such case, the requirements regarding resolution made by shareholders' meeting set out in the Company's Articles of Incorporation do not apply.

2. The Group's dividend policy takes into account industry conditions, the Company's growth stage, future capital requirements, financial structure, and capital budgeting, while also considering shareholders' interests, dividend balance, and long-term financial planning. Each year, within the scope of distributable earnings, when the Company is in an active expansion stage with expected earnings growth and the distribution of stock dividends will not materially dilute the Company's profitability, the Board of Directors shall propose a distribution plan in accordance with the law and submit it to the shareholders' meeting for approval. No less than 30% of annual earnings are appropriated to shareholders. Shareholder's bonuses may be appropriated in cash or in shares, provided, however, that the appropriation in cash shall not be less than 10% of the total appropriated amount.
3. Except being used to make up previous deficits or appropriate shares or cash to shareholders in proportion to their shareholding percentage, the legal reserve shall not be used. However, the amount of legal reserves used to appropriate new shares or cash shall be limited to the portion exceeding 25% of the paid-in capital.
4. (1) According to law, the Group may appropriate earnings only after it has provided special reserve under the debit balance of other equity on the balance sheet date. If subsequently the debit balance of other equity is reversed, the reversed amount may be used as appropriable earnings.
(2) As for the special reserves provided upon initial application of IFRSs to satisfy the requirements specified in the official letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated March 31, 2021, the Group may reverse them to the extent of their original provision ratio if subsequently the Company intends to use, dispose of or reclassify related assets. If the said related assets are investment property relating to land, such assets are reversed upon disposal or reclassification; if the said related assets are investment property other than land, such assets are reversed gradually over the use period.
5. On February 26, 2024, the Board of Directors resolved to distribute ordinary dividends of NT\$459,153 (NT\$4.5 per share) for the 2023 earnings.
6. On February 24, 2025, the Board of Directors resolved to distribute ordinary dividends of NT\$510,174 (NT\$5 per share) for the 2024 earnings.
7. On March 11, 2026, the Board of Directors resolved to distribute ordinary dividends of NT\$591,799 (NT\$5.2 per share) for the 2025 earnings.

(XVIII) Other Equity Items

	2025		
	Unrealized gains (losses)	Foreign currency translation	Total
January 1	\$ 461,359	\$ 35,333	\$ 496,692
Valuation of financial assets at fair value through other comprehensive income:			
- Group	(2,847)	-	(2,847)
-Associates	211,950	-	211,950
Investments accounted for using the equity method that are not subscribed in proportion to their ownership percentage	(4,834)	(879)	(5,713)
Disposal of equity instruments measured at fair value through other comprehensive income:			-
-Associates	(405)	-	(405)
Foreign currency translation differences:			
- Group	-	(76,509)	(76,509)
-Associates	-	(10,391)	(10,391)
December 31	<u>\$ 665,223</u>	<u>(\$ 52,446)</u>	<u>\$ 612,777</u>

	2024		
	Unrealized gains (losses)	Foreign currency translation	Total
January 1	\$ 356,690	(\$ 217,641)	\$ 139,049
Valuation of financial assets at fair value through other comprehensive income:			
- Group	107,717	-	107,717
-Associates	155,561	-	155,561
Accumulated gains and losses on disposal of equity instruments transferred to retained earnings	(158,609)	-	(158,609)
Foreign currency translation differences:			
- Group	-	221,389	221,389
-Associates	-	31,585	31,585
December 31	<u>\$ 461,359</u>	<u>\$ 35,333</u>	<u>\$ 496,692</u>

(XIX) Operating Revenue

	2025	2024
Revenue from contracts with clients	\$ 6,623,818	\$ 5,506,106

The Group's revenue derived from transfer of goods at a particular point of time are classified into the following categories:

	2025	2024
Wire-wound	\$ 5,332,946	\$ 4,359,356
Multilayer products	1,211,648	1,104,193
Others	79,224	42,557
Total	\$ 6,623,818	\$ 5,506,106

(XX) Interest Income

	2025	2024
Interest on bank deposits	\$ 33,964	\$ 41,345
Interest income from financial assets measured at amortized cost	-	240
Other interest income	42	32
	\$ 34,006	\$ 41,617

(XXI) Other Income

	2025	2024
Rental income	\$ 506	\$ 17,683
Dividends income	13,812	23,151
Bargain purchase gains	300,122	-
Subsidies income	22,973	20,260
Miscellaneous income	9,522	4,702
	\$ 346,935	\$ 65,796

1. The Group mainly recognized government grant income due to the application for the Ministry of Economic Affairs' Subsidy for Large Enterprises Leading Small and Medium Enterprises in Low-Carbon and Smart Transformation and Upgrading and industrial project investment applications in the Si-Hong Economic Development Zone.
2. For details regarding the bargain purchase gain, please refer to Note 6(5)8.

(XXII) Other Gains and Losses

	2025	2024
Loss (gain) on disposal of property, plant and equipment	(\$ 3,716)	\$ 260
Gain (loss) on disposal of investments	5,809	(2,985)
Exchange gains (losses), net	(21,237)	83,738
Gain on financial assets at fair value through profit or loss	533	6,916
Impairment loss recognized on property, plant, and equipment	(91,037)	-
Miscellaneous expenses	(3,341)	(6,304)
	<u>(\$ 112,989)</u>	<u>\$ 81,625</u>

(XXIII) Financial Costs

	2025	2024
Interest expenses	\$ 33,350	\$ 23,163
Interest expense of corporate bonds payable	17,797	17,828
Other interest expenses	-	84
	<u>\$ 51,147</u>	<u>\$ 41,075</u>

(XXIV) Additional Information on the Nature of Expenses

	2025		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expense	\$ 925,181	\$ 456,770	\$ 1,381,951
Depreciation expenses of property, plant and equipment	446,158	58,599	504,757
Depreciation of right-of-use assets	69	3,005	3,074
Amortization expenses	5,963	6,101	12,064

	2024		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expense	\$ 882,426	\$ 375,162	\$ 1,257,588
Depreciation expenses of property, plant and equipment	476,325	59,728	536,053
Depreciation of right-of-use assets	344	4,306	4,650
Amortization expenses	4,435	3,586	8,021

(XXV) Employee Benefit Expense

	2025		
	Attributable to operating costs	Attributable to operating expenses	Total
Salary and wages	\$ 784,930	\$ 389,768	\$ 1,174,698
Labor and health insurance expense	20,189	20,069	40,258
Pension expense	61,019	23,415	84,434
Other personnel expense	59,043	23,518	82,561
	<u>\$ 925,181</u>	<u>\$ 456,770</u>	<u>\$ 1,381,951</u>

	2024		
	Attributable to operating costs	Attributable to operating expenses	Total
Salary and wages	\$ 750,700	\$ 322,100	\$ 1,072,800
Labor and health insurance expense	21,396	16,635	38,031
Pension expense	54,985	17,895	72,880
Other personnel expense	55,345	18,532	73,877
	<u>\$ 882,426</u>	<u>\$ 375,162</u>	<u>\$ 1,257,588</u>

1. Where the Group has a profit for a fiscal year, it shall appropriate not less than 6% as the remuneration of employees, and no less than 20% of the aforementioned employee remuneration shall be allocated as remuneration for rank and file employees, and the board of directors shall reach resolution of the distribution in stock or cash. The distribution subject may include employees of subordinate companies satisfying certain criteria. The Group may appropriate an amount not higher than 2% of the aforementioned profit as the remuneration of directors and supervisors through resolution of a board of directors' meeting.

2. The Group's accrued employee compensation for 2025 and 2024 was NT\$76,018 and NT\$51,631, respectively; directors' remuneration was NT\$19,004 and NT\$12,907, respectively. The aforementioned amounts were listed under the salary and wages account.

For the year 2025, employee compensation and remuneration of directors and supervisors are estimated at 6% and 1.5%, respectively, based on the profit for the year up to the reporting period. The amounts resolved by the Board of Directors for distribution were NT\$76,018 and NT\$19,004, respectively, of which employee remuneration was paid in cash.

The amount of the accrued employee compensation and directors' remuneration for 2024 as had been resolved by the Board of Directors was the same as the amount recognized in the financial statements for 2024.

The amounts of employee compensation and directors' and supervisors' remuneration approved by the Board of Directors and resolved by the shareholders' meeting can be found on the Market Observation Post System of TWSE.

(XXVI) Income Tax

1. Income tax expense

(1) Income tax components:

	2025	2024
Current tax:		
Tax attributable to taxable income of the period	\$ 117,414	\$ 71,887
Additional levy on unappropriated earnings	15,296	5,467
Underestimate (overestimate) of income tax of the previous period	(12,142)	4,773
Total current tax	<u>120,568</u>	<u>82,127</u>
Deferred income tax:		
Deferred income tax on temporary differences originated and reversed	<u>61,723</u>	<u>22,331</u>
Income tax expenses	<u>\$ 182,291</u>	<u>\$ 104,458</u>

(2) Income tax related to other comprehensive income: None.

(3) Income tax directly debited or credited in equity: None.

2. Relationship between income tax expenses and accounting profit

	2025	2024
Income tax derived from applying the statutory tax rate to income before tax (note)	\$ 319,587	\$ 238,312
Impacts on income tax items that must be adjusted according to the tax law	(153,379)	(126,672)
Tax effects of investment deductibles	(7,067)	(5,803)
Tax effects of temporary differences	(1,351)	(786)
Change in estimation of probability of realizing deferred tax assets	21,347	(10,833)
Income tax (over)/under-estimation of prior years	(12,142)	4,773
Additional levy on unappropriated earnings	15,296	5,467
Income tax expenses	<u>\$ 182,291</u>	<u>\$ 104,458</u>

Note: The tax rate is calculated based on the tax rate applicable to incomes in the relevant country.

3. The amount of each deferred income tax asset or liability arising from temporary differences is as follows:

	2025			
	January 1	Recognized in P/L	Exchange differences	December 31
Temporary differences:				
- Deferred tax assets:				
Unrealized gains from disposal	\$ 2,091	(\$ 1,110)	\$ -	\$ 981
Others	992	(316)	(28)	648
Loss carryforwards	154	(148)	(6)	-
Sub-total	3,237	(1,574)	(34)	1,629
- Deferred tax liabilities:				
Reserve for land revaluation increment tax	(28,572)	-	-	(28,572)
Depreciation	(239,052)	(125)	4,673	(234,504)

book-tax differences				
Bargain purchase gains	-	(60,024)	-	(60,024)
Sub-total	(267,624)	(60,149)	4,673	(323,100)
Total	<u>(\$ 264,387)</u>	<u>(\$ 61,723)</u>	<u>\$ 4,639</u>	<u>(\$ 321,471)</u>

2024				
	January 1	Recognized in P/L	Exchange differences	December 31
Temporary differences:				
- Deferred tax assets:				
Unrealized gains from disposal	\$ 3,508	(\$ 1,430)	\$ 13	\$ 2,091
Others	1,257	(327)	62	992
Loss carryforwards	21,873	(22,602)	883	154
Sub-total	26,638	(24,359)	958	3,237
- Deferred tax liabilities:				
Reserve for land revaluation	(28,572)	-	-	(28,572)
Depreciation				
book-tax differences	(229,176)	2,028	(11,904)	(239,052)
Sub-total	(257,748)	2,028	(11,904)	(267,624)
Total	<u>(\$ 231,110)</u>	<u>(\$ 22,331)</u>	<u>(\$ 10,946)</u>	<u>(\$ 264,387)</u>

4. The expiry periods of the Group's unused tax losses and the related amounts of unrecognized deferred tax assets are as follows:

December 31, 2025						
Year	Amount reported/approved	Unused amount	Unrecognized deferred tax assets	Last year for tax credits		
Malaysia:						
2024	\$ 1,885	\$ 1,885	\$ 1,885	2034		
2025	\$ 32,115	\$ 32,115	\$ 32,115	2035		

December 31, 2024					
Year	Amount reported/appr oved	Unused amount	Unrecognized deferred tax assets	Last year for tax credits	
Malaysia:					
2024	\$ 1,885	\$ 1,885	\$ 1,885	2034	

5. Deductible temporary differences that are not recognized as deferred income tax assets

	December 31, 2025	December 31, 2024
Deductible temporary differences:	<u>\$ 224,443</u>	<u>\$ 111,582</u>

6. The Company did not recognize deferred tax liabilities in respect of taxable temporary differences associated with investments in subsidiaries. As of December 31, 2025 and 2024, the amounts of taxable temporary differences for which deferred tax liabilities had not been recognized were NT\$873,185 and NT\$725,844, respectively.

7. The Company's income tax up to 2023 has been approved by the tax authority.

(XXVII) Earnings Per Share

	2025		
	Post-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	<u>\$ 1,055,748</u>	<u>102,933</u>	<u>\$ 10.26</u>
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 1,055,748	102,933	
Effects of the potentially dilutive common shares on employee compensation	-	589	
Convertible corporate bonds	<u>17,797</u>	<u>9,906</u>	
Profit attributable to shareholders of common shares of the parent plus effects of potential common shares	<u>\$ 1,073,545</u>	<u>113,428</u>	<u>\$ 9.46</u>

	2024		
	Post-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 748,155	102,035	\$ 7.33
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 748,155	102,035	
Effects of the potentially dilutive common shares on employee compensation	-	479	
Convertible corporate bonds	17,828	9,691	
Profit attributable to shareholders of common shares of the parent plus effects of potential common shares	\$ 765,983	112,205	\$ 6.83

(XXVIII) Business Combinations

1. On November 1, 2024, the Group acquired a 56.66% equity interest in JDX Technology Co., Ltd. for cash consideration of NT\$5,347, and obtained control over the company. The transaction has been completed and the consideration has been fully paid. The Group has held a 26.67% equity in JDX Technology Co., Ltd. before the business combination, and recorded a loss of NT\$2,985 on the remeasurement of fair value.
2. On June 27, 2025, the Group acquired a 66.70% equity interest in TAIPAQ Electronic Components (Shenzhen) Co., Ltd. for total consideration of RMB 6,670 thousand, thereby obtaining control over the Company. The equity acquisition was completed.
3. Since the Group acquired and merged JDX Technology Co., Ltd. on November 1, 2024, the operating revenue contributed by JDX Technology Co., Ltd. was NT\$5,116, and the net loss before tax was NT\$725. If it is assumed that JDX Technology Co., Ltd. had been included in the consolidated entities from January 1, 2024, the Group's operating revenue and net income before tax would have been NT\$5,537,638 and NT\$844,760, respectively.
4. From the date of consolidation on June 7, 2025, TAIPAQ Electronic Components (Shenzhen) Co., Ltd. contributed operating revenue of NT\$0 and a loss before income tax of NT\$2,297. If TAIPAQ Electronic Components (Shenzhen) Co., Ltd. had been included in the consolidated entities from January 1, 2025, the Group's operating revenue and income before tax would have amounted to NT\$6,623,818 thousand and NT\$1,224,478 thousand, respectively.

(XXIX) Additional Information on Cash Flows

Investing activities partially involving cash payments:

	2025	2024
Acquisition of property, plant, and equipment	\$ 520,046	\$ 702,154
Add: Construction and equipment payable at the beginning of the period	48,645	61,211
Notes payable at the beginning of the period	4,879	5,564
Prepayments for construction and equipment - ending	173,368	64,055
Less: Construction and equipment payable at the end of the period	(93,917)	(48,645)
Notes payable at the end of the period	(158)	(4,879)
Prepayments for construction and equipment - opening	(64,055)	(14,449)
Cash paid in the period	<u>\$ 588,808</u>	<u>\$ 765,011</u>

(XXX) Changes in Liabilities Arising from Financing Activities

	2025				Liabilities arising from financing activities - Total
	Short-term borrowings	Long-term borrowings	Lease liabilities	Corporate bonds payable	
January 1	\$ 330,000	\$ 1,509,712	\$ 7,687	\$ 1,066,426	\$ 2,913,825
Changes from financing cash flows	50,000	(143,158)	(2,377)	-	(95,535)
Effects of exchange rate changes	-	-	-	-	-
Changes from acquisition of subsidiaries	-	-	-	-	-
Changes in amortized interest of corporate bonds payable	-	-	-	17,797	17,797
Changes in fair value	-	-	-	-	-
Other non-cash changes	-	-	2,417	(166,605)	(164,188)
December 31	<u>\$ 380,000</u>	<u>\$ 1,366,554</u>	<u>\$ 7,727</u>	<u>\$ 917,618</u>	<u>\$ 2,671,899</u>

	2024				
	Short-term borrowings	Long-term borrowings	Lease liabilities	Corporate bonds payable	Liabilities arising from financing activities - Total
January 1	\$ 100,000	\$ 1,542,445	\$ 11,267	\$ 1,048,695	\$ 2,702,407
Changes from financing cash flows	230,000	(37,733)	(4,082)	-	188,185
Effects of exchange rate changes	-	-	2	-	2
Changes in amortized interest of corporate bonds payable	-	-	-	17,828	17,828
Other non-cash changes	-	5,000	500	(97)	5,403
December 31	<u>\$ 330,000</u>	<u>\$ 1,509,712</u>	<u>\$ 7,687</u>	<u>\$ 1,066,426</u>	<u>\$ 2,913,825</u>

VII. Related Party Transactions

(I) Name and Relationship of Related Party

<u>Name of related party</u>	<u>Relationship with the Group</u>
SUPERWORLD ELECTRONICS (S) PTE LTD.	Other related parties and associates (Note 4)
TAI-TECH ADVANCED ELECTRONICS (S) PTE LTD	Other related parties and associates (Note 4)
Superworld Electronics Co., Ltd.	Other related parties and associates (Notes 1 and 4)
Superworld Electronics Co., Ltd. (Dongguan)	Other related parties and associates (Notes 2 and 4)
SFI Electronics Technology Inc.	Other related party
Chanchang Technology (Shenzhen) Co., Ltd.	Other related party
JDX Technology Co., Ltd.	Associates (Note 3)
APAQ Technology Co., Ltd.	Associate
Jui-hsia Tai	Immediate family member of the major management
Chang-i Hsieh	Immediate family member of the major management
Chairman, Supervisor, President, and Vice President	Key management personnel of the Group

Note 1: In December 2024, Chenghan Technology Co., Ltd. was renamed Superworld Electronics Co., Ltd.

Note 2: In July 2024, Dongguan Chenghan Electronics Co., Ltd. was renamed Superworld Electronics Co., Ltd. (Dongguan).

Note 3: The company has been included in the consolidation since November 2024. See Note 4(3)(2) for details.

Note 4: Since October 2024, the Company's relations with the Group have been changed from the category of other related parties to that of associates.

(II) Significant Transactions with Related Party

1. Operating revenue

	2025	2024
Sale of goods:		
Associate	\$ 422,243	\$ 85,601
Other related party	-	311,731
Total	<u>\$ 422,243</u>	<u>\$ 397,332</u>

The prices of goods sold by the Group to related parties are determined on an arm's length basis. The payment terms are also comparable to those offered to ordinary customers.

2. Purchase

	2025	2024
Purchase of goods:		
Associate	\$ 7,681	\$ 1,856
Other related party	3,533	7,579
Total	<u>\$ 11,214</u>	<u>\$ 9,435</u>

The prices of goods purchased by the Group from related parties are determined on an arm's length basis. The payment terms are also comparable to those offered by ordinary suppliers.

3. Freight expenses and miscellaneous expenses

	2025	2024
Associate	\$ 8	\$ 4
Other related party	-	7
	<u>\$ 8</u>	<u>\$ 11</u>

4. Other income

	2025	2024
Associate	<u>\$ -</u>	<u>\$ 134</u>

5. Lease transactions - lessee

- (1) The Group leased buildings from the immediate family members of the major management, with the lease term due between 2023 and 2028 and the rental paid on a monthly basis.

- (2) Lease liabilities

Balance at the end of the period:

	December 31, 2025	December 31, 2024
Jui-hsia Tai	\$ 2,924	\$ 4,133
Chang-i Hsieh	1,974	2,791
	<u>\$ 4,898</u>	<u>\$ 6,924</u>

- (3) Rental expense

	2025	2024
Associate	\$ 112	\$ 44
Other related party	-	130
	<u>\$ 112</u>	<u>\$ 174</u>

6. Accounts receivables due from related party

	December 31, 2025	December 31, 2024
Accounts receivable:		
Associate	\$ 162,648	\$ 129,489
Other receivables:		
Associate	10	140
Total	<u>\$ 162,658</u>	<u>\$ 129,629</u>

7. Accounts payables due to related party

	December 31, 2025	December 31, 2024
Accounts payable:		
Associate	\$ 2,190	\$ 2,361
Other related party	801	261
Sub-total	<u>2,991</u>	<u>2,622</u>
Other payables:		
Associate	797	628
Other related party	-	-
Sub-total	<u>797</u>	<u>628</u>
Total	<u>\$ 3,788</u>	<u>\$ 3,250</u>

8. Property transactions (None in 2025)

Acquisition of financial assets:

				<u>2024</u>
	<u>Accounting items</u>	<u>Number of share transactions</u>	<u>Transaction targets</u>	<u>Acquisition prices</u>
APAQ Technology Co., Ltd.	Investment accounted for using the equity method	700 thousand shares	JDX Technology Co., Ltd.	<u>\$ 2,202</u>

(III) Remuneration of Key Management Personnel

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 99,993	\$ 80,545
Post-retirement benefits	<u>1,803</u>	<u>1,769</u>
Total	<u>\$ 101,796</u>	<u>\$ 82,314</u>

VIII. Pledged Assets

The Group's assets pledged as collateral are as follows:

<u>Type of asset</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>Purpose of collateral</u>
Property, plant and equipment			
- Land	\$ 936,425	\$ 766,893	Short and long-term borrowings
- Houses and buildings	80,455	40,716	Short and long-term borrowings
- Machinery and equipment	304,403	349,638	Long-term borrowings

IX. Significant Commitments or Contingencies

(I) Contingencies

None.

(II) Commitments

Capital expenditures committed but not yet incurred

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment	<u>\$ 184,812</u>	<u>\$ 153,270</u>
Computer software	<u>\$ 11,022</u>	<u>\$ 13,452</u>

X. Significant Disaster Losses

None.

XI. Significant Subsequent Events

None.

XII. Others

(I) Capital Management

The purposes of the Group's capital management are to ensure that the Group continues as a going concern, to maintain an optimum capital structure to lower financing costs and to provide returns of investment to shareholders. For the purpose of maintaining an optimal capital structure, the Group may adjust the amount of dividends paid to shareholders or may issue new shares.

(II) Financial Instruments

1. Types of Financial Instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial Assets</u>		
Financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss	<u>\$ 1,303</u>	<u>\$ 770</u>
Financial assets at fair value through other comprehensive income		
Financial assets in equity instruments investment of which the fair value is designated to be recognized in other comprehensive income	<u>\$ 719,922</u>	<u>\$ 567,634</u>
Financial assets at amortized cost		
Cash and cash equivalents	\$ 2,257,597	\$ 1,780,997
Notes receivable, net	79,625	36,806
Accounts receivable, net (including those due from related party)	2,496,482	2,125,837
Other receivables (including those due from related party)	55,658	33,851
Refundable deposits (recognized under other noncurrent assets)	<u>14,792</u>	<u>7,558</u>
	<u>\$ 4,904,154</u>	<u>\$ 3,985,049</u>

	December 31, 2025	December 31, 2024
Financial Liabilities		
Financial liabilities measured at amortized cost		
Short-term borrowings	\$ 380,000	\$ 330,000
Notes payable	9,597	16,011
Accounts payable (including related party)	923,519	809,306
Other payables (including those due to related party)	741,811	587,956
Corporate bonds payable (including those due within one year or one operating cycle)	917,618	1,066,426
Long-term borrowings (including the portion with maturity in one year)	1,366,554	1,509,712
Guarantee deposits (recognized under other non-current liabilities)	1,047	600
	<u>\$ 4,340,146</u>	<u>\$ 4,320,011</u>
Lease liabilities (including those due within one year)	<u>\$ 7,727</u>	<u>\$ 7,687</u>

2. Risk management policy

- (1) The Group's daily operations are affected by various financial risks, e.g., market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management policy focuses on the unpredictable market events in order to minimize their potentially adverse impacts on the Group's financial position and financial performance.
- (2) The Group's key financial activities are reviewed by the Board of Directors against relevant regulations and its internal control systems. The Group strictly abides by relevant financial operating procedures during the implementation of financial plans.

3. Nature and degree of significant financial risks

(1) Market risk

Foreign exchange risks

- A. The Group operates internationally and so is subject to the exchange rate risk of different currencies, particularly the USD and RMB. Relevant exchange rate risk arises from future business transactions and the recognized assets and liabilities. In addition, the conversion from RMB to other currencies is subject to the foreign currency exchange control regulations imposed by China.
- B. The Group's management has formulated relevant policy to require entities within the Group to manage the foreign exchange risks associated with their functional currency. Foreign exchange risk arises when future business transactions or recognized assets or liabilities are denominated in a currency other than the entity's functional currency.

C. Since the Group engages in business involving multiple functional currencies (e.g., the Group's functional currency is NTD while some subsidiaries' functional currencies are either USD or RMB), the Group is subject to fluctuation in foreign exchange rates. Foreign-currency-denominated assets and liabilities having significant impacts if foreign exchange rates change were as follows:

December 31, 2025				
(Foreign currency: functional currency)	Foreign currency (in thousands)		Exchange rate	Carrying amount (NTD/ RMB)
<u>Financial Assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	56,083	31.43	\$ 1,762,689
RMB:NTD		65,270	4.47	291,757
USD : RMB		52,036	7.03	365,813
USD: MYR		405	4.20	1,701
<u>Non-monetary items</u>				
USD:NTD		20,977	31.43	659,305
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	40,820	31.43	\$ 1,282,973
RMB:NTD		5,200	4.47	23,244
USD : RMB		9,465	7.03	66,539
USD: MYR		2,250	4.20	9,450
December 31, 2024				
(Foreign currency: functional currency)	Foreign currency (in thousands)		Exchange rate	Carrying amount (NTD/ RMB)
<u>Financial Assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	40,043	32.79	\$ 1,313,010
RMB:NTD		45,713	4.56	208,451
USD : RMB		40,370	7.19	290,260
<u>Non-monetary items</u>				
USD:NTD		14,053	32.79	460,806
<u>Financial Liabilities</u>				
<u>Monetary items</u>				

USD:NTD	\$	30,302	32.79	\$	993,603
RMB:NTD		4,037	4.56		18,409
USD : RMB		6,192	7.19		44,520

For monetary items that would be significantly impacted by foreign exchange rate changes, the Group recognized an exchange gain or loss (realized and unrealized) in the amount equal to an exchange loss of NT\$21,237 and gains of NT\$83,738, respectively, for 2025 and 2024. Since the Group's transactions involve multiple currencies that have significant foreign exchange impacts, they are disclosed as a whole.

E. Foreign exchange risks arising from significant exchange rate changes that the Group is exposed to were as follows:

		2025		
		Sensitivity Analysis		
		Fluctuation	Effects on P/L (NTD/RMB)	Effects on other comprehensive income (OCI)
(Foreign currency: functional currency)				
<u>Financial Assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	17,627	\$ -
RMB:NTD	1%		2,918	-
USD : RMB	1%		3,658	-
USD: MYR	1%		17	-
<u>Non-monetary items</u>				
USD:NTD	1%		-	6,593
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		12,830	-
RMB:NTD	1%		232	-
USD : RMB	1%		665	-
USD: MYR	1%		95	-

		2024		
		Sensitivity Analysis		
		Fluctuation	Effects on P/L (NTD/RMB)	Effects on other comprehensive income (OCI)
(Foreign currency: functional currency)				
<u>Financial Assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	13,130	\$ -
RMB:NTD	1%		2,085	-
USD : RMB	1%		2,903	-
<u>Non-monetary items</u>				
USD:NTD	1%		-	4,608
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		9,936	-
RMB:NTD	1%		184	-
USD : RMB	1%		445	-

Price risk

- A. Since the Group's investments are classified as financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income in the consolidated statement of financial position, the Group is exposed to price risk on equity instruments.
- B. The Group mainly invests in equity instruments issued by a domestic or foreign company. The price of such equity instruments can be affected by changes in future value of their investment targets. If the price of such equity instruments increased or decreased by 1%, and all other variables were held constant, other comprehensive income for the years 2025 and 2024 would increase or decrease by NT\$7,199 and NT\$5,676, respectively, due to changes in the fair value of financial assets measured at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risks mainly come from short- and long-term borrowings issued at floating interest rates. Such exposure also means the Group is exposed to cash flow interest rate risks, though a portion of risks have been offset by the Group's holding of cash bearing a floating interest rate. In 2025 and 2024, the Group's borrowings with floating interest rates were denominated in NTD and USD.
- B. When the NTD and USD borrowing rates increased or decreased by 1% and all other factors remained unchanged, the post-tax net profit for 2025 and 2024 decreased or increased by NT\$13,972 and NT\$14,718, respectively, mainly due to changes in interest expense caused by floating interest rate loans.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Group arising from default by clients, or by counter-parties of financial instruments on the contract obligations. Credit risk of the Group mainly comes from accounts receivable, notes receivable and the contractual cash flows of financial assets measured at amortized cost that are prone to default by counter-parties.
- B. The Group manages credit risk on a group basis. As the internal credit approval policy stipulates, an operating entity within the Group shall manage and analyze the credit risk of a new client before proposing terms and conditions pertaining to payments and delivery of goods. Internal risk control is achieved by evaluating a client's credit quality against the client's financial position, credit records and other factors. The limit on individual risk is set by the management by referring to internal or external ratings. The status of utilization of credit lines is regularly monitored.
- C. The Group applies the IFRS 9 rebuttable presumption that the credit risk of a financial asset has significantly increased since initial recognition when contractual payments are more than 30 days past due.
- D. The Group's credit risk management procedures deem a default occurred when a counterparty is significantly delinquent on repayments.
- E. After the recourse procedures, the Group writes off financial assets that could not be reasonably expected to be recovered. Nonetheless, the Group will continue the recourse legal procedures to secure its right to the debt. The Group's written-off claims with recourses still active as of December 31, 2025 and 2024 were both NT\$0.
- F. The Group classifies accounts receivable due from clients by the characteristics of their ratings, and adopts the simplified approach that measures expected credit losses based on the preparation matrix.
- G. The Group incorporates forward-looking information and adjusts loss rates derived from historical and current information for specific periods in order to estimate the allowance for impairment losses on accounts receivable, notes receivable, and receivables under collection. The provision matrix as of December 31, 2025 and 2024 is as follows:

	Individual disclosure	Not yet due	Within 30 days past due	31-90 days past due	91-180 days past due	Total
<u>December 31, 2025</u>						
Expected loss (%)	100.00%	0.00%	0.00%	0.00%	100.00%	
Total carrying amount	<u>\$ 3,142</u>	<u>\$ 2,551,390</u>	<u>\$ 26,041</u>	<u>\$ 162</u>	<u>\$ 45</u>	<u>\$ 2,580,780</u>
Loss allowance	<u>\$ 3,142</u>	<u>\$ 939</u>	<u>\$ 385</u>	<u>\$ 162</u>	<u>\$ 45</u>	<u>\$ 4,673</u>
	Individual disclosure	Not yet due	Within 30 days past due	31-90 days past due	91-180 days past due	Total
<u>December 31, 2024</u>						
Expected loss (%)	100.00%	0.00%	0.00%	0.00%	100.00%	
Total carrying amount	<u>\$ 1,252</u>	<u>\$ 2,162,377</u>	<u>\$ 1,810</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,165,439</u>
Loss allowance	<u>\$ 1,252</u>	<u>\$ 942</u>	<u>\$ 602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,796</u>

H. Changes in the loss allowances provided for accounts receivable using the simplified approach are as follows:

	2025			
	Accounts receivable	Notes receivable	Overdue receivables	Total
January 1	\$ 1,544	\$ -	\$ 1,252	\$ 2,796
Impairment loss	-	-	1,890	\$ 1,890
Exchange rate effects	(13)	-	-	(13)
December 31	<u>\$ 1,531</u>	<u>\$ -</u>	<u>\$ 3,142</u>	<u>\$ 4,673</u>

	2024			
	Accounts receivable	Notes receivable	Overdue receivables	Total
January 1	\$ 1,511	\$ -	\$ 1,252	\$ 2,763
Exchange rate effects	33	-	-	33
December 31	<u>\$ 1,544</u>	<u>\$ -</u>	<u>\$ 1,252</u>	<u>\$ 2,796</u>

(3) Liquidity risk

- A. Cash flows forecast is done by each operating entity; the Administration Department of the Group is responsible only for summarizing the results. Administration Department of the Group monitors the forecast of the Group's liquidity needs to ensure that it has sufficient funds to meet operating needs and maintain sufficient unused loan commitments so that it won't default on any borrowing limits or terms. Such a forecast takes into account the Group's debt financing plan, compliance with provisions of debt instruments, fulfillment of the financial ratio targets on the balance sheet and conformity with external regulatory requirements, such as foreign exchange control.
- B. The table below listed the Group's non-derivative financial liabilities by maturity date. They were analyzed for the residual duration between the balance sheet date and the maturity date. The table below disclosed the contractual cash flows not discounted.

Non-derivative financial liabilities:

December 31, 2025	Less than 1 year	1–2 years	2–5 years	Over 5 years
Short-term borrowings	\$ 380,000	\$ -	\$ -	\$ -
Notes payable	9,597	-	-	-
Accounts payable (including related party)	923,519	-	-	-
Other payables (including those due to related party)	741,811	-	-	-
Lease liabilities (including the portion with maturity in one year)	3,011	2,965	1,751	-
Corporate bonds payable	930,600	-	-	-
Long-term borrowings (including the portion with maturity in one year)	371,026	386,513	440,594	224,580

Non-derivative financial liabilities:

December 31, 2024	Less than 1 year	1–2 years	2–5 years	Over 5 years
Short-term borrowings	\$ 330,000	\$ -	\$ -	\$ -
Notes payable	16,011	-	-	-
Accounts payable (including related party)	809,306	-	-	-
Other payables (including those due to related party)	587,956	-	-	-
Lease liabilities (including the portion with maturity in one year)	2,311	2,205	3,171	-
Corporate bonds payable	-	1,099,900	-	-
Long-term borrowings (including the portion with maturity in one year)	263,158	370,617	675,900	275,787

C. The Group does not expect a maturity analysis of which the cash flows timing

would be significantly earlier or the actual amount would be significantly different.

(III) Fair Value Information

- Below are the definitions assigned to each level of valuation technique used to measure the fair value of financial and non-financial assets.

Level 1: Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair values of the Group's listed and OTC equity investments are all classified within Level 1 of the fair value hierarchy.

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

Level 3: The unobservable input value of the asset or liability. The Group's investments in equity instruments without an active market are included.

- Financial instruments not measured at fair values

- Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, lease liabilities, and long-term borrowings (including the portion due within one year) are reasonable approximations of their fair values.

December 31, 2025				
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Corporate bonds payable	\$ 917,618	\$ -	\$1,269,338	\$ -

December 31, 2024				
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Corporate bonds payable	\$ 1,066,426	\$ -	\$1,289,633	\$ -

- The techniques and assumptions used to measure fair value are stated as follows:

Corporate bonds payable are the corporate bonds issued by the Group. As their coupon rates are approximately equivalent to market rates, the most recent transaction prices and quotation data are used as the basis for assessing their fair value.

3. Financial and non-financial assets at fair value are classified by nature, characteristic, risk and fair value level, stated as follows:

- (1) The Group classifies its assets and liabilities by nature as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through other comprehensive income				
Equity-based securities	\$ 288,492	\$ -	\$ 400,000	\$ 688,492
Debt securities	-	-	31,430	31,430
Total	<u>\$ 288,492</u>	<u>\$ -</u>	<u>\$ 431,430</u>	<u>\$ 719,922</u>
Derivatives				
Right of redemption of convertible bonds	<u>\$ -</u>	<u>\$ 1,303</u>	<u>\$ -</u>	<u>\$ 1,303</u>
December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through other comprehensive income				
Equity-based securities	<u>\$ 289,397</u>	<u>\$ -</u>	<u>\$ 278,237</u>	<u>\$ 567,634</u>
Derivatives				
Right of redemption of convertible bonds	<u>\$ -</u>	<u>\$ 770</u>	<u>\$ -</u>	<u>\$ 770</u>

- (2) The techniques and assumptions used to measure fair value are stated as follows:

- A. Financial instruments for which fair value is measured using quoted prices in active markets (i.e., Level 1 inputs) are categorized as follows according to their characteristics:

	Listed shares
Market quotation	Closing price

B. Except for financial instruments with an active market, the fair value of other financial instruments is obtained either based on the valuation technique or by reference to the quotes from counter-parties. Fair value may be determined using valuation techniques that reference the current fair value of financial instruments with substantially the same terms and characteristics, or using other valuation techniques, including models that apply market inputs available at the consolidated balance sheet date. The redemption right of convertible bonds is typically evaluated using a binomial tree convertible bond valuation model.

C. Outputs from the valuation models are estimates and valuation techniques may not be able to reflect all relevant factors of the financial and non-financial instruments held by the Group. Therefore, when needed, estimates from the valuation model would be adjusted for additional parameters, e.g., model risk or liquidity risk.

4. There has been no transfer between the Level 1 and the Level 2 in 2025 and 2024.

5. The following table reflects Level 3 changes in 2025 and 2024.

	2025	2024
	Equity-based securities	Equity-based securities
January 1	\$ 278,237	\$ 442,020
Gains or losses recognized in other comprehensive income		
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(1,942)	(65,285)
Purchase of current period	155,241	78,845
Disposal during the current period	-	(179,806)
Exchange rate effects	(106)	2,463
December 31	<u>\$ 431,430</u>	<u>\$ 278,237</u>

6. There was no transfer in or out from Level 3 in 2025 and 2024.

7. The Group's management is responsible for the independent verification of the fair value of financial instruments classified within Level 3 of the fair value hierarchy. Independent source data is used to ensure that valuation results closely reflect market conditions, to confirm that the data sources are independent, reliable, and consistent with other sources, and to apply any necessary fair value adjustments to ensure the reasonableness of the valuation results.

8. The quantitative information on, changes in, and sensitivity analysis of significant unobservable inputs used in Level 3 fair value measurement are stated as follows:

	December 31, 2025 Fair value	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 415,830	Companies subject to regulations applicable to listed and OTC companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
TWSE/TPEX-listed companies' privately placed shares	\$ 15,600	Market approach	Discount for lack of marketability	N/A	The higher the discount for lack of marketability, the lower the fair value
	Fair value at December 31, 2024	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 253,517	Companies subject to regulations applicable to listed and OTC companies	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
TWSE/TPEX-listed companies' privately placed shares	\$ 24,720	Market approach	Discount for lack of marketability	N/A	The higher the discount for lack of marketability, the lower the fair value

9. The Group elects to adopt valuation models and valuation parameters under prudential consideration. Nonetheless, this does not preclude the differences arising from adoption of different valuation models or parameters. If valuation parameters change, financial assets classified as Level 3 will have effects on other comprehensive income, stated as follows:

			December 31, 2025			
			Recognized in P/L		Recognized in other comprehensive income (OCI)	
			Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
	Inputs	Changes				
Financial Assets						
Equity instruments	\$ 531,844	±1%	\$ -	\$ -	\$ 4,393	(\$ 4,393)
Debt instrument	31,430	±1%	-	-	-	-
Total	\$ 563,274		\$ -	\$ -	\$ 4,393	(\$ 4,393)

			December 31, 2024			
			Recognized in P/L		Recognized in other comprehensive income (OCI)	
			Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
	Inputs	Changes				
Financial Assets						
Equity instruments	\$ 323,520	±1%	\$ -	\$ -	\$ 2,401	(\$ 2,401)

XIII. Notes to the Financial Statements

(I) Information on Significant Transactions

1. Loaning Funds to Others: Refer to Table 1.
2. Endorsement/Guarantees for Others: None.
3. Holding of marketable securities at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): Please refer to Table 2.
4. Transaction with Related Party That Reaches NT\$100 Million or 20% or More of Paid-in Capital: Refer to Table 3.
5. Receivables Due from Related Party That Reach NT\$100 Million or 20% or More of Paid-in Capital: Refer to Table 4.
6. Business Relationships and Significant Transactions Between Parent and Subsidiaries: Please refer to Table 5.

(II) Information on Indirect Investment

Names and Location of Investees (Excluding Those in Mainland China): Refer to Table 6.

(III) Investment in Mainland China

1. Basic Information: Refer to Table 7.
2. Significant transactions that occurred directly or indirectly through third-region enterprises and investee companies and were reinvested in mainland China: refer to Table 5.

XIV. Segment Information

(I) General Information

The Group engages in a single industry; the Group's Board of Directors evaluates the performance of, and allocates resources to, the Group as a whole. As such, the Group identifies itself to be a single reporting segment.

(II) Segment Information

Information on reportable segment provided to the main operating decision makers:

	2025	2024
Segment revenue	\$ 6,623,818	\$ 5,506,106
Segment gross profit	\$ 1,745,829	\$ 1,331,975
Segment profits or losses	\$ 1,224,478	\$ 851,344
Depreciation and amortization (including right-of-use assets)	\$ 519,895	\$ 548,724
Income tax expenses	\$ 182,291	\$ 104,458
	December 31, 2025	December 31, 2024
Segment assets	\$ 14,148,874	\$ 12,250,828
Segment liabilities	\$ 4,779,080	\$ 4,643,111

(III) Reconciliation of Segment Profit or Loss

Reconciliation is not required because the profit or loss information on the reporting segment that was provided to the main operating decision makers is consistent with that prepared and disclosed in the financial statements.

(IV) Product and Service Information

Revenue from external customers mainly derives from sale of products, e.g. electronic parts, magnet cores, multilayer wire-wound and other wire-wound products; components of revenue are presented as follows:

	2025	2024
Wire-wound	\$ 5,332,946	\$ 4,359,356
Multilayer products	1,211,648	1,104,193
Others	79,224	42,557
Total	\$ 6,623,818	\$ 5,506,106

(V) Regional Information

Information of the Group by region for 2025 and 2024 is as follows:

	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 1,660,638	\$ 1,953,892	\$ 1,296,524	\$ 2,304,402
Mainland China	3,082,128	2,102,080	2,713,463	1,999,921
Hong Kong	841,424	-	601,846	-
Singapore	112,082	-	109,850	-
Others	927,546	468,941	784,423	206,928
Total	<u>\$ 6,623,818</u>	<u>\$ 4,524,913</u>	<u>\$ 5,506,106</u>	<u>\$ 4,511,251</u>

Note: Revenue is attributable to the country based on the place of receipt.

(VI) Important Customer Information

Information on the Group's important customers in 2025 and 2024 is as follows:

Client Name	2025		Client Name	2024	
	Amount	%		Amount	%
Client A	\$ 1,042,182	16	Client A	\$ 872,765	16

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Loans of Funds to Others
January 1 to December 31, 2025

Table 1

Unit: NT\$ thousand
(unless otherwise specified)

No.	Lending company	Borrowing party	Transaction item	Whether or not a related party	Maximum balance amount	Ending balance	Amount actually drawn	Interest rate range	Nature of loaned funds	Business dealing amount	Reason for necessary short-term financing	Amount of allowance for losses	Collaterals		Limit of loans to individual borrowers (Note)	Total limit of loans (Note)	Remarks
													Name	Value			
1	FIXED ROCK HOLDING LTD.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Other receivables	Yes	\$ 99,615	\$ 94,290	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 4,459,967	\$ 4,459,967	
1	FIXED ROCK HOLDING LTD.	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 49,808	\$ 47,145	\$ 47,145	1.23%	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 4,459,967	\$ 4,459,967	
2	NORTH STAR INTERNATIONAL LIMITED	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 99,615	\$ 94,290	\$ 92,719	1.68%	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 142,193	\$ 142,193	
3	BEST BLISS INVESTMENTS LIMITED	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 99,615	\$ 94,290	\$ 14,772	1.23%	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 7,660,950	\$ 7,660,950	
4	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$265,640	\$251,440	\$157,150	1.23%	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 5,976,105	\$ 5,976,105	

Note: The total amount of loaning of funds to others of the Company shall not exceed 40% of the net worth of the Company and the amount of loaning of fund to an individual company or firm shall not exceed 20% of the net worth of the Company.

Loans of funds between subsidiaries that are 100% directly or indirectly owned by the Company, or between foreign companies that are 100% directly or indirectly owned by the Company and the Company, are subject to the following limits: the total and individual loan amounts shall not exceed 150% of the lender's net worth based on the most recent financial statements audited or reviewed by a CPA, or the most recent financial statements consolidated into the Company's consolidated financial statements and audited or reviewed by a CPA, whichever is more recent, and the loan term shall not exceed three years.

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Holding of Marketable Securities at the End of the Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures)
December 31, 2025

Table 2

Unit: NT\$ thousand
(unless otherwise specified)

Holding company name	Marketable securities types and name	Relationship with issuer	Financial statement account	End of period				
				Number of shares (in thousands)	Carrying amount	Shareholdings percentage	Fair value	Remarks
Stock:								
Tai-Tech Advanced Electronics Co., All Ring Tech Co., Ltd.		None	Financial assets measured at fair value through other comprehensive income (FVOCI) – non-current	615	\$ 223,860	0.63%	\$ 223,860	Unpledged
Tai-Tech Advanced Electronics Co., Ample Electronic Technology Inc. Ltd.		None	Financial assets measured at fair value through other comprehensive income (FVOCI) – non-current	315	\$ 53,550	0.98%	\$ 53,550	Unpledged
Tai-Tech Advanced Electronics Co., SFI Electronics Technology Inc. Ltd.		Other related party	Financial assets measured at fair value through other comprehensive income (FVOCI) – non-current	5,820	\$ 91,843	12.74%	\$ 91,843	Unpledged
Tai-Tech Advanced Electronics Co., AZ Venture Investment II Limited Ltd.		None	Financial assets measured at fair value through other comprehensive income (FVOCI) – non-current	3,000	\$ 33,930	12.50%	\$ 33,930	Unpledged
Tai-Tech Advanced Electronics Co., I-See Vision Technology Inc. Ltd.		None	Financial assets measured at fair value through other comprehensive income (FVOCI) – non-current	2,552	\$ 30,830	6.51%	\$ 30,830	Unpledged
Tai-Tech Advanced Electronics Co., e-Formula Technologies Inc. Ltd.		None	Financial assets measured at fair value through other comprehensive income (FVOCI) – non-current	1,500	\$ 37,620	5.61%	\$ 37,620	Unpledged
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Xiamen Eisend Electronics Co., Ltd.	None	Financial assets measured at fair value through other comprehensive income (FVOCI) – non-current	-	\$ 125,276	17.00%	\$ 125,276	Unpledged
BEST BLISS INVESTMENTS LIMITED	Bridge Roots IV Ltd.	None	Financial assets measured at fair value through other comprehensive income (FVOCI) – non-current	0.1	\$ 31,749	4.00%	\$ 31,749	Unpledged
BEST BLISS INVESTMENTS LIMITED	Convertible corporate bond rights certificate: REED SEMICONDUCTOR CORP.	None	Financial assets measured at fair value through other comprehensive income (FVOCI) – non-current	-	\$ 31,430	-	\$ 31,430	Unpledged

Note 1: The Company's disclosure standard is NT\$30 million or more based on the principle of materiality.

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Transaction with Related Party That Reaches NT\$100 Million or 20% or More of Paid-in Capital
January 1 to December 31, 2025

Table 3

Unit: NT\$ thousand
(unless otherwise specified)

Company of purchase (sale)	Transaction party name	Relationship	Transaction details				Abnormal transaction and reason		Notes/accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	Percentage of total purchase (sale)	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/accounts receivable (payable)	
Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Parent-subsiidiary	Sales	(362,969)	8%	Note 1	Note 1	-	\$ 187,589	12.00	
Tai-Tech Advanced Electronics Co., Ltd.	JDX Technology Co., Ltd.	Parent-subsiidiary	Sales	(139,111)	3%	Note 1	Note 1	-	79,928	5.00	
Tai-Tech Advanced Electronics Co., Ltd.	Superworld Electronics (S) Pte. Ltd.	Other related party	Sales	(296,246)	7%	Note 2	Note 2	-	110,396	7.00	
Tai-Tech Advanced Electronics Co., Ltd.	Tai-Tech Advanced Electronics (S) Pte. Ltd.	Other related party	Sales	(120,404)	3%	Note 2	Note 2	-	47,857	3.00	
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsiidiary	Sales	(231,048)	35%	Note 1	Note 1	-	77,861	30.00	
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsiidiary	Sales	(2,425,415)	52%	Note 1	Note 1	-	856,119	43.00	

Note 1: The transaction price is agreed by both parties, and the collection period is in accordance with normal business practice.

Note 2: The transaction price and collection period follow normal business practice.

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Receivables Due from Related Party That Reach NT\$100 Million or 20% or More of Paid-in Capital
December 31, 2025

Table 4

Unit: NT\$ thousand
(unless otherwise specified)

Company of accounts receivable recognized	Transaction party name	Relationship	Balance of accounts receivables due from related party		Turnover rate	Overdue amount of accounts receivable from related party		Amounts received from related parties in subsequent period	Amount of allowance for losses
						Amount	Treatment method		
Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Parent-subsidiary	Accounts receivable	\$ 187,589	2.64	\$ -	-	\$ 99,881	\$ -
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsidiary	Accounts receivable	\$ 856,119	2.99	-	-	\$ 407,445	-
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsidiary	Other receivables	\$ 158,063	-	-	-	\$ -	-
Tai-Tech Advanced Electronics Co., Ltd.	Superworld Electronics (S) Pte. Ltd.	Other related party	Accounts receivable	\$ 110,396	2.97	-	-	\$ 48,124	57

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Business Relationships and Significant Transactions Between Parent and Subsidiaries
January 1 to December 31, 2025

Table 5

Unit: NT\$ thousand
(unless otherwise specified)

No. (Note 1)	Name of transaction party	Transaction party	Relationship with transaction party (Note 2)	Transaction details			As a percentage of consolidated total revenue or total assets
				Item	Amount	Transaction terms	
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Sales revenue	362,969	Note 3	5%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Accounts receivable	187,589		1%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Disposal of property, plant and equipment	143,448	Note 3	1%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Accounts payable	856,119		6%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Purchase	2,425,415	Note 3	37%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Other payables	158,063		1%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	1	Sales revenue	55,017	Note 3	1%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	1	Purchase	231,048	Note 3	3%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	1	Accounts payable	77,861		1%
0	Tai-Tech Advanced Electronics Co., Ltd.	North Star International Limited	1	Other payables	92,719		1%
0	Tai-Tech Advanced Electronics Co., Ltd.	Fixed Rock Holding Ltd	1	Other payables	47,145		0%
0	Tai-Tech Advanced Electronics Co., Ltd.	Techworld Electronics (M) Sdn.Bhd.	1	Disposal of property, plant and equipment	84,350	Note 3	1%
0	Tai-Tech Advanced Electronics Co., Ltd.	JDX Technology Co., Ltd.	1	Sales revenue	139,111	Note 3	2%
0	Tai-Tech Advanced Electronics Co., Ltd.	JDX Technology Co., Ltd.	1	Accounts receivable	79,928		1%
1	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Sales revenue	91,752	Note 3	1%
1	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Accounts receivable	36,863		0%
1	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Purchase	60,682	Note 3	1%
2	TAIPAQ Electronic Components (Si-Hong) Techworld Electronics (M) Sdn.Bhd. Co., Ltd.		2	Disposal of property, plant and equipment	98,787	Note 3	1%
2	TAIPAQ Electronic Components (Si-Hong) Techworld Electronics (M) Sdn.Bhd. Co., Ltd.		2	Sales revenue	38,737	Note 3	1%

Note 1: Information on business transactions between the parent company and subsidiaries should be indicated in the numbered column respectively, and the number should be filled in as follows:

- (1) Fill in "0" for the parent company.
- (2) Subsidiaries are listed sequentially, starting from the Arabic number "1."

Note 2: The relationship with the transaction party is categorized into the following three types. Please indicate the applicable type. (There is no need to duplicate disclosure for the same transaction between a parent and its subsidiary, or between subsidiaries.) For example, if the parent company has already disclosed a transaction with a subsidiary, the subsidiary does not need to disclose it again; Similarly, if one subsidiary has disclosed a transaction with another subsidiary, the latter does not need to disclose it again:

- (1) Parent to subsidiary.
- (2) Subsidiary to subsidiary.

Note 3: The transaction price is agreed by both parties, and the collection period follows normal business practice.

Note 4: The disclosure threshold for business relationships and significant transactions between the parent company and subsidiaries for the year ended December 31, 2025, is NT\$30 million or above.

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Names and Location of Investees (Excluding Those in Mainland China)
January 1 to December 31, 2025

Table 6

Unit: NT\$ thousand
(unless otherwise specified)

Name of Investor	Name of Investee	Location	Main business	Initial investment amount		End of term holding			Current profit/loss of investee	Current investment profit/loss recognized	Remarks
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
Tai-Tech Advanced Electronics Co., Ltd.	NORTH STAR INTERNATIONAL LIMITED	Samoa	Re-invested business	\$ 3,459	\$ 3,459	100	100%	\$ 94,795	\$ 1,228	\$ 1,228	
Tai-Tech Advanced Electronics Co., Ltd.	BEST BLISS INVESTMENTS LIMITED	Cayman Islands	Re-invested business	1,075,284	1,075,284	34,250	100%	5,050,810	480,149	477,718	
Tai-Tech Advanced Electronics Co., Ltd.	TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	Singapore	Reinvestment and trading business	376,806	191,931	12,000	60%	367,922	(30,389)	(18,233)	
Tai-Tech Advanced Electronics Co., Ltd.	APAQ Technology Co., Ltd.	Taiwan	Electronic components	1,450,000	1,450,000	25,000	27.20%	1,906,637	648,680	162,722	Note 1
Tai-Tech Advanced Electronics Co., Ltd.	JDX Technology Co., Ltd.	Taiwan	Electronic components	13,347	13,347	2,500	83.33%	4,055	(3,845)	(3,204)	
Tai-Tech Advanced Electronics Co., Ltd.	SUPERWORLD HOLDINGS (S) PTE. LTD.	Singapore	Re-invested business	261,360	261,360	2,700	13.50%	659,305	176,231	28,628	
BEST BLISS INVESTMENTS LIMITED	FIXED ROCK HOLDING LTD.	Seychelles	Re-invested business	890,624	890,624	26,450	100%	2,975,963	301,469	301,469	
BEST BLISS INVESTMENTS LIMITED	SUPERWORLD HOLDINGS (S) PTE. LTD.	Singapore	Re-invested business	21,156	21,156	2,000	10%	184,831	176,231	22,452	
TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	TECHWORLD ELECTRONICS (M) SDN. BHD.	Malaysia	Electronic components	435,378	292,462	64,000	100%	441,759	(30,109)	(30,109)	Note 1

Note 1: Based on the audit reports issued by other CPAs during the same period.

Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries
Information on Investments in Mainland China - Basic Information
January 1 to December 31, 2025

Table 7

Unit: NT\$ thousand
(unless otherwise specified)

Name of investee in Mainland China	Main business	Paid-in capital	Investment method	Accumulated outward remittance for investment from Taiwan at beginning of the current period	Outward remittance or repatriation for investment		Cumulative outward remittance of the investment amount from Taiwan in the period end (Note 8)	Current profit/loss of investee	Ownership percentage of direct or indirect investment	Current Investment profit/loss recognized (Note 4)	Carrying amount at end of the period (Note 4)	Accumulated repatriation of investment income as of end of current period	Remarks
					Outward remittance	Repatriation							
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Production, processing and sale of electronic components	384,904	Investment in Mainland China companies through a company invested and established in a third region (Note 1)	\$ 352,249	\$ -	\$ -	\$ 352,249	\$ 46,785	100%	46,785	\$ 808,100	\$ -	
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Production, processing and sale of electronic components	1,343,832	Investment in Mainland China companies through a company invested and established in a third region (Note 2)	600,232	-	-	600,232	409,456	100%	409,456	3,984,072	-	
TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd.	Sales of electronic components	-	Investment through companies in mainland China (Note 3)	-	-	-	-	-	-	-	-	-	Note 3
TAIPAQ Electronic Components (Shenzhen) Co., Ltd.	Sales of electronic components	40,943	Investment through companies in mainland China	-	-	-	-	(2,297)	66.70%	(1,532)	28,280	-	
Company name			Accumulated amount of remittance from Taiwan to Mainland China at the end of the period (Notes 5, 6, and 9)	Amount of investment approved by the Investment Commission, MOEA (Notes 7 and 9)		Investment ceiling for investments in Mainland China as prescribed by the Investment Commission, Ministry of Economic Affairs (MOEA)							
Tai-Tech Advanced Electronics Co., Ltd.			\$ 1,412,662	\$ 1,393,700		\$ 5,621,876							

Note 1: Wholly owned by Best Bliss Investments Limited.

Note 2: Best Bliss Investments Limited and Fixed Rock Holding Ltd. hold 26.60% and 73.40%, respectively.

Note 3: The company is a 100%-owned subsidiary of TAIPAQ Electronic Components (Si-Hong) Co., Ltd. No capital contribution had been made as of December 31, 2025.

Note 4: The financial statements reviewed by the CPA engaged by the parent company in Taiwan.

Note 5: The Company liquidated TAI-TECH Advanced Electronics (Dongguan) in 2015 and the accumulated investment loss amount is USD 1,513 thousand.

Note 6: NTD is calculated based on the historical exchange rate.

Note 7: NTD is translated at the exchange rate at the balance sheet date.

Note 8: Excluding investments funded by own funds from third countries.

Note 9: At the end of the period, the accumulated investment amount remitted from Taiwan to mainland China was US\$44,343 thousand, and the investment amount approved by the Investment Commission, MOEA, was US\$44,343 thousand.