Forcecon Tech. Co., Ltd.

Parent Company Only Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

勤業眾信

勤業眾信聯合會計師事務所
110421 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110421, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Forcecon Tech. Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Forcecon Tech. Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and the parent company only financial performance and the parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter for the Company's parent company only financial statements for the year ended December 31, 2025 is stated as follows:

<u>Occurrence of Revenue from Specific Customers</u>

The main products of the Group are thermal products.

Accordingly, we identified the occurrence of revenue from specific customers, which experienced sales growth and involved significant amounts, as a key audit matter. For detailed explanation of revenue, refer to Notes 4 and 21 of the accompanying parent company only financial statements.

Our audit procedures performed with respect to the above key audit matter included the following:

1. We obtained an understanding of the related internal control and operating procedures in the Company's sales transaction cycle, and we evaluated and confirmed the operating effectiveness of control and operating procedures.

2. We selected samples from the sales details, examined customers' original orders, sales electronic orders, delivery orders, logistics receipt documents or export declarations and sales invoices for any abnormalities and confirmed that sales revenue did occur.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 parent company only 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2025, and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audits resulting in this independent auditors' report are Zhi-Yuan Wen and Hsin-Tung Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 6, 2026

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

FORCECON TECH. CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 27)	$ 722,362	8	$ 913,353	11
Financial assets at fair value through profit or loss - current (Notes 4, 7, 16 and 27)	5	-	205	-
Accounts receivable (Notes 4, 8, 21 and 27)	2,013,029	23	1,640,105	19
Accounts receivable from related parties (Notes 4, 27 and 28)	435,704	5	501,008	6
Other receivables from related parties (Notes 4, 27 and 28)	32,483	-	150,524	2
Current tax assets (Notes 4 and 23)	691	-	691	-
Inventories (Notes 4, 5 and 9)	520,962	6	378,720	4
Other current assets (Notes 4, 14 and 27)	32,733	-	29,992	-
Total current assets	3,757,969	42	3,614,598	42
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 27)	66,742	1	48,779	1
Investments accounted for using the equity method (Notes 4 and 10)	4,728,440	53	4,461,065	52
Property, plant and equipment (Notes 4, 11, 29 and 30)	282,083	3	283,930	3
Right-of-use assets (Notes 4 and 12)	63,496	1	66,286	1
Intangible assets (Notes 4 and 13)	16,144	-	12,791	-
Deferred tax assets (Notes 4 and 23)	36,498	-	35,075	1
Prepayments for equipment	1,012	-	17,188	-
Other non-current assets (Notes 4, 14 and 27)	4,997	-	4,915	-
Total non-current assets	5,199,412	58	4,930,029	58
TOTAL	$ 8,957,381	100	$ 8,544,627	100

	2025		2024	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Short-term borrowings (Notes 15 and 27)	$ 100,000	1	$ 400,000	5
Contract liabilities - current (Note 21)	25	-	296	-
Accounts payable (Notes 17 and 27)	349,938	4	407,145	5
Accounts payable to related parties (Notes 27 and 28)	2,515,551	28	1,719,778	20
Other payables (Notes 18 and 27)	259,559	3	362,083	5
Other payables to related parties (Notes 27 and 28)	-	-	7	-
Current tax liabilities (Notes 4 and 23)	34,755	1	19,942	-
Lease liabilities - current (Notes 4, 12 and 27)	19,568	-	19,007	-
Current portion of long-term borrowings (Notes 15, 27 and 29)	9,280	-	10,480	-
Other current liabilities (Note 18)	1,573	-	1,509	-
Total current liabilities	3,290,249	37	2,940,247	35
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4, 16 and 27)	192,678	2	187,561	2
Long-term borrowings (Notes 15, 27 and 29)	69,960	1	79,240	1
Deferred tax liabilities (Notes 4 and 23)	273,757	3	269,422	3
Lease liabilities - non-current (Notes 4, 12 and 27)	45,578	1	48,617	1
Other non-current liabilities (Notes 18 and 27)	132,620	1	123,867	1
Total non-current liabilities	714,593	8	708,707	8
Total liabilities	4,004,842	45	3,648,954	43
EQUITY (Notes 4 and 20)				
Share capital				
Ordinary shares	990,493	11	861,298	10
Capital surplus	2,360,869	26	2,337,894	27
Retained earnings				
Legal reserve	409,245	5	339,593	4
Special reserve	85,220	1	138,289	1
Unappropriated earnings	1,201,357	13	1,278,920	15
Total retained earnings	1,695,822	19	1,756,802	20
Other equity				
Exchange differences on the translation of the financial statements of foreign operations	(18,124)	-	(32,378)	-
Treasury shares	(76,521)	(1)	(27,943)	-
Total equity	4,952,539	55	4,895,673	57
TOTAL	$ 8,957,381	100	$ 8,544,627	100

The accompanying notes are an integral part of the parent company only financial statements.

FORCECON TECH. CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 21 and 28)	$ 5,861,399	100	$ 5,047,170	100
OPERATING COSTS (Notes 9, 22 and 28)	(5,086,807)	(87)	(4,361,112)	(87)
GROSS PROFIT	774,592	13	686,058	13
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES (Note 4)	(9,123)	-	(16,022)	-
REALIZED GROSS PROFIT	765,469	13	670,036	13
OPERATING EXPENSES (Note 22)				
Selling and marketing expenses	(140,935)	(2)	(166,542)	(3)
General and administrative expenses	(179,957)	(3)	(216,174)	(4)
Research and development expenses	(316,804)	(5)	(296,986)	(6)
Expected credit gain (loss) (Notes 4 and 8)	639	-	(746)	-
Total operating expenses	(637,057)	(10)	(680,448)	(13)
PROFIT (LOSS) FROM OPERATING	128,412	3	(10,412)	-
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 22 and 28)	22,951	-	30,349	1
Other income (Notes 22 and 28)	105,684	2	101,463	2
Other gains and losses (Notes 4 and 22)	(38,006)	(1)	66,339	1
Finance costs (Notes 4 and 22)	(15,583)	-	(15,171)	-
Share of profit or loss of subsidiaries and associates (Notes 4 and 10)	217,393	4	561,325	11
Total non-operating income and expenses	292,439	5	744,305	15
PROFIT BEFORE INCOME TAX	420,851	8	733,893	15
INCOME TAX EXPENSE (Notes 4 and 23)	(51,182)	(1)	(37,370)	(1)
NET PROFIT FOR THE YEAR	369,669	7	696,523	14
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Note 4)	17,818	-	132,388	3
Income tax related to items that may be reclassified subsequently to profit or loss (Notes 4 and 23)	(3,564)	-	(26,477)	(1)
Other comprehensive income for the year, net of income tax	14,254	-	105,911	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 383,923	7	$ 802,434	16

(Continued)

FORCECON TECH. CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
EARNINGS PER SHARE (Note 24)				
Basic	$ 3.74		$ 7.19	
Diluted	$ 3.69		$ 7.07	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

FORCECON TECH. CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent							
			Retained Earnings			Other Equity		
	Shares Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Treasury Stock	Total Equity
BALANCE, JANUARY 1, 2024	$ 829,285	$ 1,923,433	$ 275,945	$ 85,220	$ 1,131,688	$ (138,289)	$ (27,943)	$ 4,079,339
Appropriation of 2023 earnings								
Legal reserve	-	-	63,648	-	(63,648)	-	-	-
Special reserve	-	-	-	53,069	(53,069)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(432,574)	-	-	(432,574)
Net profit for the year ended December 31, 2024	-	-	-	-	696,523	-	-	696,523
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	105,911	-	105,911
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	696,523	105,911	-	802,434
Other changes in capital surplus								
Equity component of convertible bonds issued by the Company	-	48,342	-	-	-	-	-	48,342
Overdue cash dividends	-	3	-	-	-	-	-	3
Share-based payments	-	10,579	-	-	-	-	-	10,579
Issuance of ordinary shares for cash	31,250	353,125	-	-	-	-	-	384,375
Issuance of ordinary shares under employee share options	763	2,412	-	-	-	-	-	3,175
BALANCE, DECEMBER 31, 2024	861,298	2,337,894	339,593	138,289	1,278,920	(32,378)	(27,943)	4,895,673
Appropriation of 2024 earnings								
Legal reserve	-	-	69,652	-	(69,652)	-	-	-
Special reserve	-	-	-	(53,069)	53,069	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(301,454)	-	-	(301,454)
Share dividends distributed by the Company	129,195	-	-	-	(129,195)	-	-	-
Net profit for the year ended December 31, 2025	-	-	-	-	369,669	-	-	369,669
Other comprehensive income for the year ended December 31, 2025, net of income tax	-	-	-	-	-	14,254	-	14,254
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	369,669	14,254	-	383,923
Other changes in capital surplus								
Overdue cash dividends	-	3	-	-	-	-	-	3
Share-based payments	-	22,972	-	-	-	-	27,943	50,915
Buy-back of treasury shares	-	-	-	-	-	-	(76,521)	(76,521)
BALANCE, DECEMBER 31, 2025	$ 990,493	$ 2,360,869	$ 409,245	$ 85,220	$ 1,201,357	$ (18,124)	$ (76,521)	$ 4,952,539

The accompanying notes are an integral part of the parent company only financial statements.

FORCECON TECH. CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 420,851	$ 733,893
Adjustments for:		
Depreciation expense	70,878	53,777
Amortization expense	11,112	10,943
Expected credit loss (reversed) recognized on trade receivables	(639)	746
Net (gain) loss on fair value financial assets and liabilities at fair value through profit or loss	(17,763)	1,701
Finance costs	15,583	15,171
Interest income	(22,951)	(30,349)
Dividend income	(572)	-
Compensation cost of share-based payments	-	10,579
Share of profit of subsidiaries and associates	(217,393)	(561,325)
Gain on disposal of property, plant and equipment	(534)	(1,708)
Write-down of inventories (reversed) recognized	(21,451)	13,971
Unrealized gain on transactions with subsidiaries	9,123	16,022
Net loss (gain) on foreign currency exchange	26,759	(12,887)
Changes in operating assets and liabilities		
Accounts receivable	(249,807)	(169,095)
Other receivables from related parties	119,065	(149,458)
Inventories	(120,791)	(16,150)
Other current assets	(2,682)	(11,968)
Contract liabilities	(271)	(434)
Accounts payable	652,860	212,400
Other payables	(96,226)	11,565
Other current liabilities	64	(57)
Cash generated from operations	575,215	127,337
Interest paid	(11,097)	(11,254)
Income tax paid	(37,021)	(38,196)
Net cash generated from operating activities	527,097	77,887
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	-	(50,000)
Acquisition of investments accounted for using the equity method	(9,195)	-
Payments for property, plant and equipment	(54,770)	(109,672)
Proceeds from disposal of property, plant and equipment	164	858
(Increase) decrease in refundable deposits	(82)	9
Payments for intangible assets	(14,465)	(6,891)
Decrease in prepayments for equipment	16,176	3,754
Interests received	22,951	30,349
Dividends received	572	-
Net cash used in investing activities	(38,649)	(131,593)

(Continued)

FORCECON TECH. CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	$ (300,000)	$ (10,000)
Proceeds from issuance of convertible bonds	-	232,143
Repayments of long-term borrowings	(10,480)	(161,306)
Increase in guarantee deposits	-	638
Repayment of the principal portion of lease liabilities	(19,823)	(19,081)
Dividends paid	(301,454)	(432,574)
Issuance of ordinary shares for cash	-	384,375
Exercise of employee share options	-	3,175
Cost of acquired treasury stock	(76,521)	-
Employees proceeds treasury stock	27,946	-
Unclaimed dividends extinguished by prescription	3	3
Net cash used in financing activities	(680,329)	(2,627)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	890	5,624
NET DECREASE IN CASH AND CASH EQUIVALENTS	(190,991)	(50,709)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	913,353	964,062
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 722,362	$ 913,353

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Forcecon Tech. Co., Ltd. (the "Company") was established in November 1997 in accordance with the provisions of the Company Act and relevant laws and regulations. The Company's main business activities include the design, manufacturing, processing and trading of computer and peripheral equipment components.

The Company's shares have been listed on the Taipei Exchange (TPEx) since December 2006.

The parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors on March 6, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised 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
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

1) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

   a) The amendments to the application guidance of classification of financial assets

      The amendments mainly amend the requirements for the classification of financial assets, including:

      i. If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

         - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

         - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

      ii. To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

      iii. To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

   b) The amendments to the application guidance of derecognition of financial liabilities

      The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

      - The Company having no practical ability to withdraw, stop or cancel the payment instruction;

      - The Company having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

      - The settlement risk associated with the electronic payment system being insignificant.

   The Company shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company has assessed that the application of other standards will not have a material impact on the Company's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the other impact of the above amended standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, the share of other comprehensive income of subsidiaries and the related equity items, as appropriate, in these parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

e. Inventories

Inventories consist of raw materials, work in progress and finished goods and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Impairment of property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, any dividends earned on such financial assets are recognized in other income and any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 27.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

Cash equivalents includes time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Company):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 90 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Equity instruments

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

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses; any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 27.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rates, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that are within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not measured at FVTPL.

k. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Company transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

Revenue from the sale of goods

Revenue from the sale of goods comes from sales of fans and thermal module products. Sales of fans and thermal module products are recognized as revenue when the goods are shipped because it is the time when the customer has the right to set the price and use of the products, has the primary responsibility for sales to future customers and bears the risks of obsolescence.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

l. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

m. Borrowing costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

n. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

3) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognizes any related restructuring costs.

p. Share-based payment arrangements

Employee share options granted to employees

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees and treasury shares transferred to employees is the date on which the board of directors approves the transaction.

At the end of each reporting period, the Company revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits, research and development expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Key Sources of Estimation Uncertainty

Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of products of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	**2024**
Cash on hand	$ 89	$ 89
Checking accounts and demand deposits	722,273	782,124
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	-	131,140
	$ 722,362	$ 913,353

The market rate intervals of cash in the bank at the end of the year were as follows:

	December 31	
	2025	**2024**
Demand deposits	0.35%-3.65%	0.635%-4.30%
Time deposits	-	4.60%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2025	**2024**
Financial assets - current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Value of redemption option of convertible bonds (Note 16)	$ 5	$ 205
Financial assets - non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic unlisted shares	$ 66,742	$ 48,779

8. ACCOUNTS RECEIVABLE

	December 31	
	2025	**2024**
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 2,013,162	$ 1,640,877
Less: Allowance for impairment loss	(133)	(772)
	$ 2,013,029	$ 1,640,105

Accounts receivable at amortized cost

In order to minimize credit risk, the Company reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past default records of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off an account receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the Company's provision matrix:

December 31, 2025

	Not Past Due	1 to 60 Days	61 to 90 Days	91 to 180 Days	Over 181 Days	Total
Gross carrying amount	$ 2,003,327	$ 8,586	$ 1,167	$ 82	$ -	$ 2,013,162
Loss allowance (Lifetime ECLs)	-	-	(117)	(16)	-	(133)
Amortized cost	$ 2,003,327	$ 8,586	$ 1,050	$ 66	$ -	$ 2,013,029

December 31, 2024

	Not Past Due	1 to 60 Days	61 to 90 Days	91 to 180 Days	Over 181 Days	Total
Gross carrying amount	$ 1,627,028	$ 9,851	$ 273	$ 3,725	$ -	$ 1,640,877
Loss allowance (Lifetime ECLs)	-	-	(27)	(745)	-	(772)
Amortized cost	$ 1,627,028	$ 9,851	$ 246	$ 2,980	$ -	$ 1,640,105

The movements of the loss allowance of accounts receivable were as follows:

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 772	$ 26
Net remeasurement of loss allowance	(639)	746
Balance on December 31	$ 133	$ 772

9. INVENTORIES

	December 31	
	2025	2024
Finished goods	$ 469,498	$ 348,324
Raw materials	50,018	27,510
Work in Progress	1,446	2,886
	$ 520,962	$ 378,720

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2025	2024
Cost of inventories sold	$ 5,108,258	$ 4,347,141
Write-down of inventories (reversed) recognized	(21,451)	13,971
	$ 5,086,807	$ 4,361,112

Write-down of inventories reversed was due to the increasing selling prices of inventories in certain markets.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in subsidiaries

	December 31	
	2025	2024
Unlisted stock		
Forcecon Technology Co., Ltd. (Mauritius)	$ 4,641,631	$ 4,305,521
Forcecon Technology Vietnam Co., Ltd.	77,825	155,544
FCNA Corporation.	8,984	-
	$ 4,728,440	$ 4,461,065

	Proportion of Ownership and Voting Rights	
	December 31	
Name of Subsidiary	2025	2024
Forcecon Technology Co., Ltd. (Mauritius)	100%	100%
Forcecon Technology Vietnam Co., Ltd.	100%	100%
FCNA Corporation	100%	-

The Company established FCNA Corporation in July 2025 and invested capital of USD300 thousand in November 2025.

Refer to Note 32 for the details of the subsidiaries indirectly held by the Company.

In 2025 and 2024, the share of profit or loss and other comprehensive income of subsidiaries accounted for using the equity method was recognized based on the subsidiaries' audited financial reports of the same periods.

11. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2025	2024
Assets used by the Company	$ 282,083	$ 283,930

	Assets used by the Company							
	Freehold Land	Buildings	Machinery Equipment	Mold Equipment	Research and Development Equipment	Transportation Equipment	Other Equipment	Total
Cost								
Balance on January 1, 2025	$ 114,272	$ 84,516	$ 8,107	$ 366	$ 37,205	$ 1,316	$ 125,592	$ 371,374
Additions	-	-	18,557	90	7,399	-	22,850	48,896
Disposals/derecognition	-	-	-	(207)	(8,797)	-	(5,064)	(14,068)
Balance on December 31, 2025	$ 114,272	$ 84,516	$ 26,664	$ 249	$ 35,807	$ 1,316	$ 143,378	$ 406,202
Accumulated depreciation								
Balance on January 1, 2025	$ -	$ 36,259	$ 2,329	$ 200	$ 16,132	$ 723	$ 31,801	$ 87,444
Depreciation expense	-	4,227	3,958	173	12,725	263	29,397	50,743
Disposals/derecognition	-	-	-	(207)	(8,797)	-	(5,064)	(14,068)
Balance on December 31, 2025	$ -	$ 40,486	$ 6,287	$ 166	$ 20,060	$ 986	$ 56,134	$ 124,119
Carrying amount on December 31, 2025	$ 114,272	$ 44,030	$ 20,377	$ 83	$ 15,747	$ 330	$ 87,244	$ 282,083

(Continued)

	Assets used by the Company							
	Freehold Land	Buildings	Machinery Equipment	Mold Equipment	Research and Development Equipment	Transportation Equipment	Other Equipment	Total
Cost								
Balance on January 1, 2024	$ 114,272	$ 84,516	$ 3,756	$ 208	$ 40,258	$ 1,316	$ 37,682	$ 282,008
Additions	-	-	5,865	158	14,077	-	88,808	108,908
Disposals/derecognition	-	-	(1,514)	-	(17,130)	-	(898)	(19,542)
Balance on December 31, 2024	$ 114,272	$ 84,516	$ 8,107	$ 366	$ 37,205	$ 1,316	$ 125,592	$ 371,374
Accumulated depreciation								
Balance on January 1, 2024	$ -	$ 32,032	$ 3,045	$ 17	$ 20,138	$ 460	$ 17,112	$ 72,804
Depreciation expense	-	4,227	798	183	13,124	263	15,279	33,874
Disposals/derecognition	-	-	(1,514)	-	(17,130)	-	(590)	(19,234)
Balance on December 31, 2024	$ -	$ 36,259	$ 2,329	$ 200	$ 16,132	$ 723	$ 31,801	$ 87,444
Carrying amount on December 31, 2024	$ 114,272	$ 48,257	$ 5,778	$ 166	$ 21,073	$ 593	$ 93,791	$ 283,930

(Concluded)

No impairment assessment was performed for the year ended December 31, 2025 and 2024 as there was no indication of impairment.

The Company's property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

Buildings	20 years
Machinery equipment	5 years
Mold equipment	2 years
Research and development equipment	3 years
Transportation equipment	5 years
Other equipment	3-5 years

Please refer to Note 29 for the amount of property, plant and equipment pledged as collateral for the Company's borrowings.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
Carrying amount		
Buildings	$ 63,496	$ 66,286

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	$ 17,345	$ -
Depreciation charge for right-of-use assets		
Buildings	$ 20,135	$ 19,903

Except for the addition and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Company's right-of-use assets in 2025 and 2024.

b. Lease liabilities

	December 31	
	2025	2024
Carrying amount		
Current	$ 19,568	$ 19,007
Non-current	$ 45,578	$ 48,617

Range of discount rate for lease liabilities were as follows:

	December 31	
	2025	2024
Buildings	1.37%-2.75%	1.37%-1.90%

c. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	$ 718	$ 688
Expenses relating to low-value asset leases	$ 1,623	$ 343
Total cash outflow for leases	$ (23,331)	$ (21,495)

The Company's leases of certain parking space qualify as short-term leases and leases of certain office equipment qualify as low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. INTANGIBLE ASSETS

	Software	Technical Skills	Total
Cost			
Balance on January 1, 2025	$ 19,974	$ 14,162	$ 34,136
Additions	14,465	-	14,465
Disposals/derecognition	(8,505)	-	(8,505)
Balance on December 31, 2025	$ 25,934	$ 14,162	$ 40,096
Accumulated amortization			
Balance on January 1, 2025	$ 9,543	$ 11,802	$ 21,345
Amortization expense	8,752	2,360	11,112
Disposals	(8,505)	-	(8,505)
Balance on December 31, 2025	$ 9,790	$ 14,162	$ 23,952
Carrying amount on December 31, 2025	$ 16,144	$ -	$ 16,144

(Continued)

	Software	Technical Skills	Total
Cost			
Balance on January 1, 2024	$ 17,389	$ 14,162	$ 31,551
Additions	6,891	-	6,891
Disposals	(4,306)	-	(4,306)
Balance on December 31, 2024	$ 19,974	$ 14,162	$ 34,136
Accumulated amortization			
Balance on January 1, 2024	$ 7,627	$ 7,081	$ 14,708
Amortization expense	6,222	4,721	10,943
Disposals	(4,306)	-	(4,306)
Balance on December 31, 2024	$ 9,543	$ 11,802	$ 21,345
Carrying amount on December 31, 2024	$ 10,431	$ 2,360	$ 12,791

(Concluded)

The above intangible assets are amortized on a straight-line basis over their useful lives as follows:

Software	3 years
Technical skills	3 years

14. OTHER ASSETS

	December 31	
	2025	2024
Current		
Other receivables		
Prepayments	$ 19,890	$ 14,278
Other receivables	11,877	15,421
Payment on behalf of others	966	293
	$ 32,733	$ 29,992
Non-current		
Other assets		
Refundable deposits	$ 4,915	$ 4,915
Others	82	-
	$ 4,997	$ 4,915

15. BORROWINGS

a. Short-term borrowings

	December 31	
	2025	2024
Unsecured borrowings		
Line of credit borrowings	$ 100,000	$ 400,000

The range of interest rates on the above borrowings was 1.98% and 2.112%-2.150% at December 31, 2025 and 2024, respectively.

b. Long-term borrowings

	December 31	
	2025	2024
Secured borrowings (Note 29)		
Bank loans (1)	$ 79,240	$ 89,720
Unsecured borrowings		
Less: Current portion	(9,280)	(10,480)
Long-term borrowings	$ 69,960	$ 79,240

1) The above borrowings are secured by the Company's freehold land and buildings. The loan maturity dates are March 24, 2026, June 24, 2026 and March 2, 2040. As of December 31, 2025 and 2024, the effective annual interest rate range was 2.33%-2.62% and 2.33%-2.62%, respectively.

16. BONDS PAYABLE

	December 31	
	2025	2024
Liability component:		
Unsecured domestic convertible bonds	$ 200,000	$ 200,000
Less: Discounts on bonds payable	(7,322)	(12,439)
	$ 192,678	$ 187,561
Value of redemption option	$ 5	$ 205
Value of conversion rights	48,342	48,342

On May 22, 2024, the Company issued two thousand 0% NTD-denominated unsecured convertible bonds, with an aggregate principal amount of $200,000 thousand. Each bond entitles the holder to convert it into ordinary shares of the Company at a conversion price of $168 at any time between the day following the three-month period after the issuance of the convertible bonds (August 23, 2024) and the maturity date (May 22, 2027). If the closing price of the Company's ordinary share continues being at least 130% of the conversion price for 30 consecutive trading days during the period from the day following the three-month period after the issuance of the convertible bonds (August 23, 2024) to the 40 days prior to the maturity date (April 12, 2027), the Company has the right to redeem the bonds at par value. As of December 31, 2025, the conversion price has been adjusted to $136.1 per share.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 2.727924% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $5,000 thousand)	$ 232,143
Call/put option component (less transaction costs of $15 thousand)	685
Equity component (less transaction costs of $1,041 thousand)	(48,342)
Liability component at the date of issue (less transaction costs of $3,974 thousand)	184,486
Interest charged at an effective interest rate of 2.727924%	8,192
Liability component at December 31, 2025	$ 192,678

17. ACCOUNTS PAYABLE

	December 31	
	2025	2024
Accounts payable		
Operating	$ 349,938	$ 407,145

The Company's credit period on purchases of goods was about 45 to 150 days.

18. OTHER LIABILITIES

	December 31	
	2025	2024
Current		
Other payables		
Accrued expenses	$ 173,152	$ 265,361
Payables for salaries or bonuses	83,541	87,982
Payables for purchases of equipment	2,866	8,740
	$ 259,559	$ 362,083
Other liabilities		
Receipts under custody	$ 1,573	$ 1,488
Others	-	21
	$ 1,573	$ 1,509
Non-current		
Other liabilities		
Deferred credits	$ 131,982	$ 123,229
Guarantee deposit received	638	638
	$ 132,620	$ 123,867

19. RETIREMENT BENEFIT PLANS

Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

20. EQUITY

a. Ordinary shares

	December 31	
	2025	2024
Shares authorized (in thousands)	200,000	200,000
Shares authorized	$ 2,000,000	$ 2,000,000
Shares issued and fully paid (in thousands)	99,049	86,130
Shares issued	$ 990,493	$ 861,298

The Company changed ordinary shares due to the exercise of employee share options, the issuance of share dividends, and the issuance of cash capital.

b. Capital surplus

	December 31	
	2025	2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 1,679,284	$ 1,679,284
Conversion of bonds	563,436	563,436
Treasury share transactions	69,461	46,490
May only be used to offset a deficit		
Execution of Disgorgement	332	332
Overdue cash dividends	14	10
May not be used for any purpose		
Share options (Note 16)	48,342	48,342
	$ 2,360,869	$ 2,337,894

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation (the "Articles"), where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting accumulated losses, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of share dividends. In accordance with the provisions of Paragraph 5 of Article 240 of the Company Act, the Articles authorize that the distributable dividends and bonuses, or legal reserve and capital reserve stipulated in Paragraph 1 of Article 241 of the Company Act, in whole or in part, may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "Employees' compensation and remuneration of directors" in Note 22(g).

The Articles also stipulate a dividends policy whereby, based on the current and future development plans, considering the investment environment, capital needs and domestic and foreign competition, and taking into account the interests of shareholders, the total dividends distributed shall not be less than 20% of distributable earnings. Dividends can be distributed in the form of cash or shares, but the cash dividends shall not be less than 10% of the total dividends distributed.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2024 and 2023 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2024	**2023**
Legal reserve	$ 69,652	$ 63,648
Special reserve	$ (53,069)	$ 53,069
Cash dividends	$ 301,454	$ 432,574
Share dividends	$ 129,195	$ -
Cash dividends per share (NT$)	$ 3.5	$ 5.0
Share dividends per share (NT$)	$ 1.5	$ -

The above appropriations of earnings as cash dividends were resolved by the Company's board of directors on March 11, 2025 and March 8, 2024, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on May 27, 2025 and May 29, 2024, respectively.

The appropriations of earnings for 2025, which were proposed by the Company's board of directors on March 6, 2026, were as follows:

	For the Year Ended December 31, 2025
Legal reserve	$ 36,967
Cash dividends	$ 294,148
Cash dividends per share (NT$)	$ 3.0

The above appropriations of earnings as cash dividends were resolved by the Company's board of directors, and the remaining appropriations will be resolved by the shareholders in their meeting on May 25, 2026.

d. Treasury shares

	Treasury Shares (in Thousands of Shares)
Number of shares on January 1, 2025	455
Increase during this year	828
Transfer to employees this year	(455)
Number of shares on December 31, 2025	828
Number of shares on January 1, 2024 and December 31, 2024	455

The Company transfer the remaining 455 thousand treasury stocks to employees and the board of directors passed a resolution on January 16, 2025 , using the Black-Scholes option pricing model to granted the employee share options, and the inputs to the model are as follows:

	Granted in February 2025
Grant-date share price	$ 111.85
Exercise price	61.42
Expected volatility	42.99%
Expected life	24 days
Risk-free interest rate	1.32%

On November 11, 2025, for the purpose of transferring shares to employees, the Company's board of directors resolved to repurchase up to 1,000 thousand ordinary shares of the Company from the TPEx market during the period from November 12, 2025 to January 11, 2026 at a price range of $80 to $165 per share. As of January 6, 2026, the Company had repurchased 1,000 thousand treasury shares.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

21. REVENUE

	For the Year Ended December 31	
	2025	2024
Revenue from contracts with customers		
Revenue from the sale of goods	$ 5,861,399	$ 5,047,170

a. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts receivable (Note 8)	$ 2,013,029	$ 1,640,105	$ 1,524,838
Contract liabilities			
Sale of goods	$ 25	$ 296	$ 730

The changes in the balance of contract liabilities primarily resulted from the timing difference between the Company’s satisfaction of performance obligations and the respective customer’s payment.

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year was summarized as follows:

	For the Year Ended December 31	
	2025	2024
From contract liabilities at the start of the year		
Sale of goods	$ 270	$ 730

b. Disaggregation of revenue

	For the Year Ended December 31	
	2025	2024
By country		
China	$ 5,000,917	$ 4,295,217
Asia	708,798	636,311
Taiwan (location of the Company)	148,652	111,940
Other	3,032	3,702
	$ 5,861,399	$ 5,047,170

22. NET PROFIT FROM CONTINUING OPERATIONS

The net profit from continuing operations included the following items:

a. Interest income

	For the Year Ended December 31	
	2025	2024
Bank deposits	$ 18,850	$ 27,412
Others	4,101	2,937
	$ 22,951	$ 30,349

b. Other income

	For the Year Ended December 31	
	2025	2024
Sample and mold income	$ 14,779	$ 10,166
Rental income	3,659	2,769
Others	87,246	88,528
	$ 105,684	$ 101,463

c. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Gain (loss) on financial instruments at FVTPL	$ 17,763	$ (1,701)
Gain on disposal of property, plant and equipment	534	1,708
Net (loss) gain on foreign exchange	(51,665)	69,979
Others	(4,638)	(3,647)
	$ (38,006)	$ 66,339

d. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	$ 9,289	$ 10,704
Interest on convertible bonds	5,116	3,075
Interest on lease liabilities	1,167	1,383
Interest on guarantee deposits	11	9
	$ 15,583	$ 15,171

e. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
An analysis of depreciation by function		
Operating costs	$ 21,407	$ 5,255
Operating expenses	49,471	48,522
	$ 70,878	$ 53,777
An analysis of amortization by function		
General and administrative expenses	$ 5,151	$ 2,206
Research and development expenses	5,961	8,737
	$ 11,112	$ 10,943

f. Employee benefits expense

	For the Year Ended December 31	
	2025	2024
Short-term benefits	$ 298,817	$ 339,969
Post-employment benefits (Note 19)		
Defined contribution plans	10,552	9,995
Share-based payments		
Equity-settled	-	10,579
Termination benefits	1,254	2,081
Total employee benefits expense	$ 310,623	$ 362,624

(Continued)

	For the Year Ended December 31	
	2025	2024
An analysis of employee benefits expense by function		
Operating costs	$ 10,579	$ 6,506
Operating expenses	300,044	356,118
	$ 310,623	$ 362,624

(Concluded)

g. Employee compensation and Directors' remuneration

According to the Articles, the Company accrued compensation of employees and remuneration of directors within rate range from 10% to 15% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

In accordance with the amendments to the Securities and Exchange Act Promulgated August 2024, the shareholders of the Company revised the previous amendments to the Company's Articles at the 2025 Annual General Meeting of Shareholders. The amendments explicitly stipulate the allocation of 5% of employee compensation as compensation distributions for non-executive employees. The employee compensation (including non-executive employees) and the directors' remuneration for the years ended December 31, 2025 and 2024, as approved by the Company's board of directors on March 6, 2026 and March 11, 2025, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2025	2024
Compensation of employees	15%	15%
Remuneration of directors	2%	2%

Amount

	For the Year Ended December 31	
	2025	2024
Compensation of employees	$ 72,271	$ 125,391
Remuneration of directors	9,636	16,719

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2024 and 2023.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

23. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	$ 42,253	$ 37,290
Income tax on unappropriated earnings	9,579	2,003
Adjustments for prior year	2	238
	51,834	39,531
Deferred tax		
In respect of the current year	(652)	(2,161)
Income tax expense recognized in profit or loss	$ 51,182	$ 37,370

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2025	2024
Profit before tax from continuing operations	$ 420,851	$ 733,893
Income tax expense calculated at the statutory rate (20%)	$ 84,170	$ 146,779
Nondeductible expenses in determining taxable income	1,023	615
Tax-exempt income	(114)	-
Income tax on unappropriated earnings	9,579	2,003
Unrecognized deductible temporary differences and investment credits	(43,478)	(112,265)
Adjustments for prior years' tax	2	238
Income tax expense recognized in profit or loss	$ 51,182	$ 37,370

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 3,564	$ 26,477

c. Current tax assets and liabilities

	December 31	
	2025	2024
Current tax assets		
Tax refund receivable	$ 691	$ 691
Current tax liabilities		
Income tax payable	$ 34,755	$ 19,942

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the Year ended December 31, 2025

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Unrealized gross profit	$ 24,465	$ 1,824	$ -	$ 26,289
Unrealized foreign exchange losses	-	5,352	-	5,352
Loss for market price decline and obsolete inventories	9,765	(5,475)	-	4,290
Unrealized gain or loss on valuation of convertible bonds	420	40	-	460
Unrealized gain on disposal of property, plant and equipment	181	(74)	-	107
Loss on valuation of financial assets at FVTPL	244	(244)	-	-
	$ 35,075	$ 1,423	$ -	$ 36,498
Deferred tax liabilities				
Temporary differences				
Share of profit or loss of subsidiaries accounted for using the equity method	$ 254,889	$ -	$ -	$ 254,889
Exchange differences on translating the financial statements of foreign operations	11,955	-	3,564	15,519
Gain on valuation of financial assets at FVTPL	-	3,349	-	3,349
Unrealized foreign exchange gains	2,578	(2,578)	-	-
	$ 269,422	$ 771	$ 3,564	$ 273,757

For the Year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Unrealized gross profit	$ 21,260	$ 3,205	$ -	$ 24,465
Loss for market price decline and obsolete inventories	6,971	2,794	-	9,765
Unrealized gain or loss on valuation of convertible bonds	324	96	-	420
Loss on valuation of financial assets at FVTPL	-	244	-	244
Unrealized gain on disposal of property, plant and equipment	413	(232)	-	181
Unrealized foreign exchange losses	1,928	(1,928)	-	-
Exchange differences on translating the financial statements of foreign operations	14,522	-	(14,522)	-
	$ 45,418	$ 4,179	$ (14,522)	$ 35,075
Deferred tax liabilities				
Temporary differences				
Share of profit or loss of subsidiaries accounted for using the equity method	$ 254,889	$ -	$ -	$ 254,889
Exchange differences on translating the financial statements of foreign operations	-	-	11,955	11,955
Unrealized foreign exchange gains	560	2,018	-	2,578
	$ 255,449	$ 2,018	$ 11,955	$ 269,422

e. Income tax assessments

The tax returns through 2023 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2025	**2024**
Basic earnings per share	$ 3.74	$ 7.19
Diluted earnings per share	$ 3.69	$ 7.07

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on July 14, 2025. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2024 were as follows:

	Prior to Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	$ 8.27	$ 7.19
Diluted earnings per share	$ 8.14	$ 7.07

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2025	**2024**
Profit for the year attributable to owners of the Company	$ 369,669	$ 696,523
Earnings used in the computation of basic earnings per share	369,669	696,523
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds (after tax)	4,093	2,460
Earnings used in the computation of diluted earnings per share	$ 373,762	$ 698,983

The weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Year Ended December 31	
	2025	**2024**
Weighted average number of ordinary shares used in the computation of basic earnings per share	98,936	84,180
Effect of potentially dilutive ordinary shares:		
Employees’ compensation	959	992
Convertible bonds	1,470	725
Employee share options	-	17
Weighted average number of ordinary shares used in the computation of diluted earnings per share	101,365	85,914

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. SHARE-BASED PAYMENTS

Qualified employees of the Company and its subsidiaries were granted 1,747 and 40 options in September and December 2019, respectively. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 5 years and exercisable at certain percentages after the second year from the grant date. The options were granted at an exercise price equal to the closing price of the Company's ordinary shares at the grant date. For any subsequent changes in the Company's capital surplus, the exercise price is adjusted accordingly.

The information of employee share options was as follows:

	For the Year Ended December 31, 2024	
	Number of Options (In Thousands)	**Weighted-average Exercise Price (NT$)**
Balance on January 1	108	$ 42.00
Options exercised	(76)	41.63
Options expired	(32)	41.47
Balance on December 31	-	-
Options exercisable, end of period	-	

In 2024, the Company conducted a cash capital increase, reserving 469 thousand shares for employee subscription. Options granted in June 2024 are priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	June 2024
Grant-date share price	$ 145.18
Exercise price	$ 123
Expected volatility	40.50%
Expected life	23 days
Expected dividend yield	-
Risk-free interest rate	1.26%

Compensation costs recognized was $10,579 thousand for the years ended December 31, 2024.

26. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, capital surplus, retained earnings and other equity).

Key management personnel of the Company review the capital structure regularly. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

The Company is not subject to any externally imposed capital requirements.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2025

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 192,678	$ -	$ 208,000	$ -	$ 208,000

December 31, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 187,561	$ 190,460	$ -	$ -	$ 190,460

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 5	$ -	$ 5
Domestic unlisted shares	-	-	66,742	66,742
	$ -	$ 5	$ 66,742	$ 66,747

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 205	$ -	$ 205
Domestic unlisted shares	-	-	48,779	48,779
	$ -	$ 205	$ 48,779	$ 48,984

There were no transfers between Levels 1 and 2 in the current year.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	For the Year Ended December 31	
	2025	2024
Financial assets		
FVTPL		
Balance on January 1	$ 48,779	$ -
Purchases	-	50,000
Recognized in profit or loss	17,963	(1,221)
Balance on December 31	$ 66,742	$ 48,779

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - Value of redemption option of convertible bonds	Binary tree convertible bond pricing model: Through the binary tree, the evolution of the key basic variables of the option in discrete time is tracked on multiple time steps between the pricing date and the maturity date. Each node of the tree represents a possible price at a specific point in time.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

Domestic and foreign unlisted equity investments are evaluated by the net asset value method. The management of the Company evaluates the target of such equity investments with the active market quotation, and the net asset amount tends to the fair value of the equity investments.

c. Categories of financial instruments

	December 31	
	2025	2024
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 66,747	$ 205
Financial asset at amortized cost (Note 1)	3,220,370	3,225,326
Financial liabilities		
Amortized cost (Note 2)	3,497,604	3,166,932

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties) and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, accounts payable (including related parties), other payables (including related parties), current portion of long-term borrowings, bonds payable, long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

The Company's major financial instruments included accounts receivable, accounts payable, bonds payable, borrowings and lease liabilities. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There had been no change in the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company has foreign currency denominated sales and purchases, which expose the Company to foreign currency risk. Approximately 99.90% of the Company's sales is denominated in currencies other than the functional currency of the Company, whilst almost 98.64% of costs is denominated in currencies other than the functional currency of the Company. Exchange rate exposures are managed within approved policy parameters utilizing natural hedges and foreign exchange forward contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are set out in Note 31.

Sensitivity analysis

The Company is mainly exposed to the exchange rate fluctuations of the USD.

The following table details the Company's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the USD. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 1% change in foreign currency rates. A negative number below indicates a decrease in pre-tax profit associated with the New Taiwan dollar strengthening 1% against the USD. For a 1% weakening of the New Taiwan dollar against USD, there would be an equal and opposite impact on pre-tax profit, and the balances below would be positive.

	USD Impact	
	For the Year Ended December 31	
	2025	**2024**
Profit or loss	$ (2,566)	$ (8,659)

The Company's sensitivity to foreign currency was decreased during the current year mainly due to the increase in USD denominated accounts payable.

b) Interest rate risk

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2025	**2024**
Fair value interest rate risk		
Financial assets	$ -	$ 131,140
Financial liabilities	257,824	255,185
Cash flow interest rate risk		
Financial assets	722,273	782,124
Financial liabilities	179,240	489,720

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both floating rate bank borrowings at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by $5,430 thousand and $2,924 thousand, respectively.

The Company's sensitivity to interest rates increased during the current year mainly due to the decrease in floating rate borrowings.

c) Other price risk

The Company was exposed to equity price risk through its investments in equity securities, primarily arising from classification as FVTPL.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 10% higher/lower, pre-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by $6,674 thousand and $4,878 thousand, as a result of the changes in fair value of financial assets at FVTPL.

2) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Company. At the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company mainly arise from the carrying amount of the respective recognized financial assets as stated in the parent company only balance sheets.

In order to mitigate the credit risk, the management of the Company has monitoring procedures for the decision of the credit line and the approval of the credit line to ensure that appropriate actions are taken for the recovery of overdue receivables. In addition, the Company reviews the recoverable amount of each receivable one by one on the balance sheet date to ensure that the unrecoverable receivables have been properly set aside for impairment losses. Accordingly, the management of the Company believes that the Company's credit risk has been significantly reduced.

The Company’s concentration of credit risk by geographical location was mainly in China, which accounted for 84% and 83% of total accounts receivable as of December 31, 2025 and 2024, respectively.

The Company’s concentration of credit risk of 67% and 64% of total accounts receivable as of December 31, 2025 and 2024, respectively, was attributable to the Company’s top five customers.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company’s operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Company’s available unutilized short-term bank loan facilities were $950,000 thousand and $332,560 thousand, respectively.

The following table details the Company’s remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods, of which lease liabilities had been drawn up based on the undiscounted cash flows (including principal and estimated interest).

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 83,813	$ 148,449	$ 117,676	$ -	$ -
Lease liabilities	1,730	3,461	15,575	46,956	-
Variable interest rate liabilities	-	102,620	6,660	21,120	48,840
Fixed interest rate liabilities	-	-	-	192,678	-
	$ 85,543	$ 254,530	$ 139,911	$ 260,754	$ 48,840

Further information on the maturity analysis of the above financial liabilities were as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Variable interest rate liabilities	$ 109,280	$ 21,120	$ 26,400	$ 22,440	$ -

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 93,271	$ 195,178	$ 118,696	$ -	$ -
Lease liabilities	1,705	3,411	18,835	44,712	1,309
Variable interest rate liabilities	-	402,620	7,860	25,120	54,120
Fixed interest rate liabilities	-	-	-	187,561	-
	$ 94,976	$ 601,209	$ 145,391	$ 257,393	$ 55,429

Further information on the maturity analysis of the above financial liabilities were as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Variable interest rate liabilities	$ 410,480	$ 25,120	$ 26,400	$ 26,400	$ 1,320

28. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and related parties are disclosed as follows:

a. Related party name and category

Related Party Name	Related Party Category
Suzhou Forcecon Electric Co., Ltd.	Subsidiary
Chongqing Forcecon Technology Corporation	Subsidiary
Sichuan Forcecon Technology Co., Ltd.	Subsidiary
Anhui Jujie Electronics Co., Ltd.	Subsidiary
Forcecon Technology Vietnam Co., Ltd.	Subsidiary

b. Operating revenue

Line Item	Related Party Category	For the Year Ended December 31 2025	2024
Sales	Subsidiary	$ 583,016	$ 679,697

The prices of the above sales are subject to general sales conditions; the payment terms for sales to general customers are immediate payment or net 45-150 days, and the payment terms for sales to related parties are net 90-120 days.

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31 2025	2024
Subsidiary		
Suzhou Forcecon Electric Co., Ltd.	$ 3,369,430	$ 2,811,625
Chongqing Forcecon Technology Corporation	407,589	542,168
Others	557,323	208,534
	$ 4,334,342	$ 3,562,327

As a single supplier, there are no other purchase prices available for comparison. Payment terms are the same as non-related parties.

d. Other income

Line Item	Related Party Category/Name	For the Year Ended December 31 2025	2024
Other income	Subsidiary		
	Suzhou Forcecon Electric Co., Ltd.	$ 30,562	$ 25,704
	Chongqing Forcecon Technology Corporation	24,304	22,491
	Sichuan Forcecon Technology Co., Ltd.	15,190	12,852
	Other	7,291	1,297
		$ 77,347	$ 62,344

The income in the above table is from the provision of research and development management services and patent licensing to subsidiaries.

e. Property transactions

The Company sold other assets to its subsidiaries resulting in disposal gains, which will be recognized on a period-by-period basis when the assets are amortized in the future benefit period. As of December 31, 2025, the unrecognized disposal gains of the above transactions were $536 thousand.

f. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31 2025	2024
Accounts receivable from related parties	Subsidiary		
	Suzhou Forcecon Electric Co., Ltd	$ 272,290	$ 302,762
	Chongqing Forcecon Technology Corporation	163,414	198,246
		$ 435,704	$ 501,008
Other receivables from related parties	Subsidiary		
	Other	$ 1,053	$ 2,991

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2025 and 2024, no impairment losses were recognized for receivables from related parties.

g. Payables to related parties

Line Item	Related Party Category/Name	December 31 2025	2024
Accounts payable to related parties	Subsidiary		
	Suzhou Forcecon Electric Co., Ltd.	$ 1,837,836	$ 1,330,775
	Chongqing Forcecon Technology Corporation	270,193	245,672
	Other	407,522	143,331
		$ 2,515,551	$ 1,719,778

(Continued)

Line Item	Related Party Category/Name	December 31 2025	2024
Other payables to related parties	Subsidiary Other	$ -	$ 7

(Concluded)

h. Loans to related parties

Related Party Name	December 31 2025	2024
Forcecon Technology Vietnam Co., Ltd.	$ 31,430	$ 147,533

Interest revenue

Related Party Name	For the Year Ended December 31 2025	2024
Forcecon Technology Vietnam Co., Ltd.	$ 4,018	$ 2,937

As of December 31, 2025, the ending balance of loans to related parties was $31,430 thousand. The highest balance of loans to Forcecon Technology Vietnam Co., Ltd. for the year 2025 was $149,423 thousand.

The Company provided short-term loans to subsidiaries with unsecured short-term loans at rates comparable to market interest rates during the year 2025.

i. Remuneration of key management personnel

	For the Year Ended December 31 2025	2024
Short-term employee benefits	$ 47,585	$ 49,447
Share-based payments	-	2,821
Post-employment benefits	676	862
	$ 48,261	$ 53,130

The remuneration of directors and key management personnel, as determined by the remuneration committee, was based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31 2025	2024
Freehold land	$ 114,272	$ 114,272
Buildings	44,031	48,257
	$ 158,303	$ 162,529

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Company at December 31, 2025 and 2024 were as follows:

Unrecognized commitments were as follows:

	December 31	
	2025	2024
Acquisition of property, plant and equipment	$ 1,316	$ 18,598

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the Company and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 99,529	31.43 (USD:NTD)	$ 3,128,183
Financial liabilities			
Monetary items			
USD	91,363	31.43 (USD:NTD)	$ 2,871,542

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 91,361	32.785 (USD:NTD)	$ 2,995,269
Financial liabilities			
Monetary items			
USD	64,949	32.785 (USD:NTD)	$ 2,129,350

The significant unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2025		2024	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	31.43 (USD:NTD)	$ (26,759)	32.785 (USD:NTD)	$ 12,887

32. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

b. Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 7)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

FORCECON TECH. CO., LTD.

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance (Note 1)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	Forcecon Tech. Co., Ltd.	Forcecon Technology Vietnam Co., Ltd.	Other receivables from related parties	Yes	$ 149,423	$ 141,435	$ 31,430	(Note 2)	For operational use	$ -	For operational use	$ -	-	$ -	$ 495,254 (Note 3)	$ 990,508 (Note 3)

Note 1: Figures are derived from the original foreign currency amounts converted at the exchange rates as of December 31, 2025.

Note 2: Interest is calculated at an annual rate of 5%.

Note 3: The lending limit of Forcecon Tech. Co., Ltd. to an individual entity shall not exceed 40% of the lending company’s net value; loans to subsidiaries whose voting shares are directly or indirectly wholly owned by the Company are not subject to this restriction and shall not exceed 10% of the Company’s net value; the total lending limit is 20% of the Company’s net value.

FORCECON TECH. CO., LTD.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 4)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	Forcecon Tech. Co., Ltd.	Suzhou Forcecon Electric Co., Ltd.	(3)	$ 3,962,031	$ 215,833	$ -	$ -	$ -	-	$ 3,962,031	Y	N	Y
		Chongqing Forcecon Technology Corporation	(3)	3,962,031	467,055	-	-	-	-	3,962,031	Y	N	Y
		Sichuan Forcecon Technology Co., Ltd.	(3)	3,962,031	98,055	-	-	-	-	3,962,031	Y	N	Y
		Forcecon Technology Vietnam Co., Ltd.	(3)	3,962,031	282,435	282,435	200,467	-	5.70	3,962,031	Y	N	N

Note 1: 1) Forcecon Tech. Co., Ltd. is numbered 0.

2) Subsidiaries are numbered starting from 1.

Note 2: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as follows:

1) Having a business transactions.

2) A company in which the Corporation directly and indirectly holds more than 50% of the voting shares.

3) A company that directly and indirectly holds more than 50% of the voting shares in the Corporation.

4) A company in which the Corporation directly or indirectly holds more than 90% of the voting shares.

5) The Corporation fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

6) All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.

7) Where companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Endorsements/guarantees provided by the Company to a single enterprise shall not exceed 80% of the Company's net assets as stated in its latest financial statement.

Note 4: The maximum amount of the endorsements/guarantees provided by the Company and its subsidiary shall not exceed 80% of the Company's net assets as stated in its latest financial statement.

FORCECON TECH. CO., LTD.

SIGNIFICANT MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Forcecon Tech. Co., Ltd.	Stock Phoenix Lu Innovation & Entrepreneurship Investment Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	5,000,000	$ 66,742	2.54	$ 66,742	

FORCECON TECH. CO., LTD.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Forcecon Tech. Co., Ltd.	Suzhou Forcecon Electric Co., Ltd.	Subsidiary	Sale	$ 175,389	3	Net 90 to 120 days from monthly closing date	None	About 60 to 150 days for other companies	$ 272,291	11	
			Purchase	3,370,643	65	Net 90 to 120 days from monthly closing date	None	About 45 to 150 days for other companies	(1,837,836)	64	
	Chongqing Forcecon Technology Corporation	Subsidiary	Sale	407,621	7	Net 90 to 120 days from monthly closing date	None	About 60 to 150 days for other companies	163,414	7	
			Purchase	407,589	8	Net 90 to 120 days from monthly closing date	None	About 45 to 150 days for other companies	(270,193)	9	
	Sichuan Forcecon Technology Co., Ltd.	Subsidiary	Purchase	402,705	8	Net 90 to 120 days from monthly closing date	None	About 45 to 150 days for other companies	(247,688)	9	
	Anhui Forcecon Technology Co., Ltd.	Subsidiary	Purchase	157,913	3	Net 90 to 120 days from monthly closing date	None	About 45 to 150 days for other companies	(159,834)	6	
Suzhou Forcecon Technology Corporation	Sichuan Forcecon Technology Co., Ltd.	Subsidiary	Purchase	297,775 (RMB 68,786)	8	Net 90 to 120 days from monthly closing date	None	About 30 to 150 days for other companies	(50,222) (RMB (11,170))	4	
	Anhui Forcecon Technology Co., Ltd.	Subsidiary	Sale	101,001 (RMB 23,331)	2	Net 120 days from monthly closing date	None	About 30 to 150 days for other companies	90,782 (RMB 20,192)	4	
	Anhui Forcecon Technology Co., Ltd.	Subsidiary	Purchase	1,067,654 (RMB246,628)	29	Net 90 to 120 days from monthly closing date	None	About 30 to 150 days for other companies	(208,343) (RMB (46,340))	17	
Chongqing Forcecon Technology Corporation	Sichuan Forcecon Technology Co., Ltd.	Subsidiary	Purchase	180,409 (RMB 41,674)	13	Net 90 to 120 days from monthly closing date	None	About 90 to 180 days for other companies	(52,091) (RMB (11,586))	10	

FORCECON TECH. CO., LTD.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Forcecon Tech. Co., Ltd.	Suzhou Forcecon Electric Co., Ltd.	Subsidiary	$ 272,291	2.56	$ -	-	$ -	$ -
	Chongqing Forcecon Technology Corporation	Subsidiary	163,414	3.11	-	-	-	-
Suzhou Forcecon Electric Co., Ltd.	Forcecon Tech. Co., Ltd.	The Company	1,837,836 (RMB 411,002)	2.48	-	-	-	-
Chongqing Forcecon Technology Corporation	Forcecon Tech. Co., Ltd.	The Company	270,193 (RMB 60,424)	2.18	-	-	-	-
Sichuan Forcecon Technology Co., Ltd.	Forcecon Tech. Co., Ltd.	The Company	247,688 (RMB 55,391)	2.06	-	-	-	-
Anhui Forcecon Technology Co., Ltd.	Forcecon Tech. Co., Ltd.	The Company	159,834 (RMB 35,744)	1.93	-	-	-	-
	Suzhou Forcecon Electric Co., Ltd.	Subsidiary	208,511 (RMB 46,377)	3.99	-	-	-	-

FORCECON TECH. CO., LTD.

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Number of Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Forcecon Tech. Co., Ltd.	Forcecon Technology Co., Ltd. (Mauritius)	Mauritius	Development and investment business	$ 1,078,964	$ 1,078,964	34,435	100	$ 4,641,631	$ 289,466	$ 286,219	Subsidiary
	Forcecon Technology Vietnam Co., Ltd.	Vietnam	Manufacturing of electronic components; import and export of goods	USD 6,000	USD 6,000	-	100	77,825	(68,385)	(68,385)	Subsidiary
	FCNA Corporation	USA	Assisting the Company in servicing its U.S. clientele	USD 300	-	1	100	8,984	(441)	(441)	Subsidiary
Forcecon Technology Co., Ltd. (Mauritius)	Suzhou Forcecon Electric Co., Ltd.	China	New electronic components (CPU thermal module), computer and electronic motor related spare parts	RMB 265,079	RMB 265,079	-	100	4,678,608 (RMB 1,040,616)	289,699 (RMB 66,921)	289,699 (RMB 66,921)	Subsidiary
Suzhou Forcecon Electric Co., Ltd.	Chongqing Forcecon Technology Corporation	China	New electronic components (CPU thermal module), computer and electronic motor related spare parts	RMB 290,000	RMB 225,000	-	100	2,653,121 (RMB 590,107)	182,333 (RMB 42,119)	182,333 (RMB 42,119)	Subsidiary
	Anhui Forcecon Electronics Co., Ltd.	China	Manufacturing of electronic components; wholesale of electronic components; retail of electronic components; import and export of goods	RMB 70,000	RMB 70,000	-	100	502,900 (RMB 111,855)	73,957 (RMB 17,084)	73,957 (RMB 17,084)	Subsidiary
Chongqing Forcecon Technology Corporation	Sichuan Forcecon Technology Co., Ltd.	China	New electronic components (CPU thermal module), computer and electronic motor related spare parts	RMB 320,000	RMB 255,000	-	100	1,529,476 (RMB 340,186)	(29,818) (RMB (6,888))	(29,818) (RMB (6,888))	Subsidiary

Note: Refer to Table 7 for information on investments in mainland China.

FORCECON TECH. CO., LTD.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025
					Outward	Inward						
Suzhou Forcecon Electric Co., Ltd.	New electronic components (CPU thermal module), computer and electronic motor related spare parts	RMB 265,079	(2)	$ 1,039,317 (USD 33,170)	$ -	$ -	$ 1,039,317 (USD 33,170)	$ 289,699 (RMB 66,921)	100	$ 289,699 (RMB 66,921)	$ 4,678,608 (RMB 1,040,616)	$ -
Chongqing Forcecon Technology Corporation	New electronic components (CPU thermal module), computer and electronic motor related spare parts	RMB 290,000	(3)	-	-	-	-	182,333 (RMB 42,119)	100	182,333 (RMB 42,119)	2,653,121 (RMB 590,107)	-
Sichuan Forcecon Technology Co., Ltd.	New electronic components (CPU thermal module), computer and electronic motor related spare parts	RMB 320,000	(4)	-	-	-	-	(29,818) (RMB (6,888))	100	(29,818) (RMB (6,888))	1,529,476 (RMB 340,186)	-
Anhui Forcecon Electronics Co., Ltd.	Manufacturing of electronic components; wholesale of electronic components; retail of electronic components; import and export of goods	RMB 70,000	(3)	-	-	-	-	73,957 (RMB 17,084)	100	73,957 (RMB 17,084)	502,900 (RMB 111,855)	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2025	Investment Amount Authorized by the Investment Commission, MOEA (Note 3)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$ 1,039,317 (USD 33,170)	$ 1,268,201 (USD 40,350)	$ 2,971,523

Note 1: Method of investments are divided into the following types:

(1) Direct investments in mainland China.

(2) Indirect investments in mainland China through a company established in a third region (reinvestment through Forcecon Technology Co., Ltd. (Mauritius)).

(3) Other method (reinvestment through Suzhou Forcecon Electric Co., Ltd.).

(4) Other method (reinvestment through Chongqing Forcecon Technology Corporation).

Note 2: Amount was recognized on the basis of the audited financial statements.

Note 3: This amount translation into the New Taiwan dollar at the exchange rate on the date of the financial statements.

TABLE 8

FORCECON TECH. CO., LTD.

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss
		Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Suzhou Forcecon Electric Co., Ltd.	Sales	$ 175,389	3	According to the contract	Based on general terms and conditions	-	$ 272,291	11	$ 76,207
	Property transaction	-	-	According to the contract	Based on general terms and conditions	-	-	-	282
	Purchase	3,370,643	65	According to the contract	Based on general terms and conditions	-	1,837,836	64	38,642
	Other income	30,562	29	According to the contract	Based on general terms and conditions	-	655	1	-
Chongqing Forcecon Technology Corporation	Sales	407,621	7	According to the contract	Based on general terms and conditions	-	163,414	7	55,214
	Property transaction	-	-	According to the contract	Based on general terms and conditions	-	-	-	254
	Purchase	407,589	8	According to the contract	Based on general terms and conditions	-	270,193	9	1,363
	Other income	24,304	23	According to the contract	Based on general terms and conditions	-	-	-	-
Sichuan Forcecon Technology Co., Ltd.	Sales	-	-	According to the contract	Based on general terms and conditions	-	-	-	23
	Purchase	402,705	8	According to the contract	Based on general terms and conditions	-	247,688	9	212
	Other income	15,190	14	According to the contract	Based on general terms and conditions	-	-	-	-
Anhui Forcecon Electronics Co., Ltd.	Purchase	157,913	3	According to the contract	Based on general terms and conditions	-	159,834	6	1,542
	Other income	7,291	7	According to the contract	Based on general terms and conditions	-	-	-	-

STATEMENTS OF MAJOR ACCOUNTING ITEMS

FORCECON TECH. CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Description	Amount
Cash on hand		$ 89
Checking accounts and demand deposits	Including USD20,509 thousand @31.43	722,273
		$ 722,362

FORCECON TECH. CO., LTD.

STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Client A	$ 578,836
Client B	400,466
Client C	243,974
Client D	194,140
Client E	142,548
Client F	107,068
Client G	100,809
Others (Note)	245,321
	2,013,162
Less: Allowance for impairment loss	(133)
	$ 2,013,029

Note: The amount of individual client in others does not exceed 5% of the account balance.

FORCECON TECH. CO., LTD.

STATEMENT OF INVENTORIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net Realizable Value
Raw materials	$ 50,018	$ 58,687
Finished goods	469,498	488,034
Work in Progress	1,446	1,616
	$ 520,962	$ 548,337

FORCECON TECH. CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Balance, January 1, 2025		Additions		Investment Gain (Loss) Recognized by Using the Equity Method	Exchange Differences	Balance, December 31, 2025			Market Value or Carrying Amount (Note 3)		
Investees	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	(Note 1)	(Note 2)	Number of Shares (In Thousands)	%	Amount	Unit Price	Total Amount	Collateral
Forcecon Technology Co., Ltd. (Mauritius)	34,435	$ 4,305,521	-	$ 21,202	$ 286,219	$ 28,689	34,435	100	$ 4,641,631	$ 136	$ 4,683,388	Nil
Forcecon Technology Vietnam Co., Ltd.	-	155,544	-	1,767	(68,385)	(11,101)	-	100	77,825	-	77,825	Nil
FCNA Corporation	-	-	1	9,195	(441)	230	1	100	8,984	8,984	8,984	Nil
		$ 4,461,065		$ 32,164	$ 217,393	$ 17,818			$ 4,728,440		$ 4,770,197	

Note 1: Recognized based on the audited financial statements of the same period.

Note 2: Exchange difference on translating foreign operations.

Note 3: Calculated according to the financial statements of investees and proportion of ownership. The difference of $41,757 thousand between the carrying amount and the net equity value is the unrealized gross profit arising from the upstream transactions between the parent and subsidiary companies.

FORCECON TECH. CO., LTD.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS AND ACCUMULATED DEPRECIATION OF RIGHT-OF-USE-ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

	Balance on January 1	Additions	Balance on December 31
Cost			
Buildings	$ 104,225	$ 17,345	$ 121,570
Accumulated depreciation			
Buildings	(37,939)	(20,135)	(58,074)
	$ 66,286	$ (2,790)	$ 63,496

FORCECON TECH. CO., LTD.

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Rental Period	Discount Rate	Amount
Buildings			
Sanhe Development Industrial Co., Ltd. - No. 120, Zhonghe Street, Zhubei City, Hsinchu County	2025.09.15-2030.08.15	2.60%	$ 10,163
Hisn South Industrial Co., Ltd. - No. 100, Siyuan Rd. Xinzhuang Dist., New Taipei City	2023.10.01-2028.09.30	1.90%	41,833
Sanhe Development Industrial Co., Ltd. - No. 126, Zhonghe Street, Zhubei City, Hsinchu County	2025.12.15-2030.12.14	2.75%	6,299
Sanhe Development Industrial Co., Ltd. - No. 122, Zhonghe Street, Zhubei City, Hsinchu County	2025.12.15-2030.12.14	2.75%	6,851
Total			65,146
Less: Lease liabilities - current			(19,568)
Lease liabilities -noncurrent			$ 45,578

FORCECON TECH. CO., LTD.

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Accounts payable	
Vendor A	$ 202,038
Vendor B	66,089
Vendor C	19,537
Others (Note)	62,274
	$ 349,938

Note: The amount of individual vendor in others does not exceed 5% of the account balance.

FORCECON TECH. CO., LTD.

STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Creditor	Contract Period	Repayment Method	Interest Rates (%)	Balance, End of Year: Current Portion	Balance, End of Year: Long-term Portion	Balance, End of Year: Total	Collateral or Secured
E.SUN COMMERCIAL BANK	2011.06.24-2026.06.24	Principal repayable quarterly since September 2013, floating rate	2.33	$ 3,800	$ -	$ 3,800	Note 1
	2011.06.24-2026.03.24	Principal repayable quarterly since September 2013, floating rate	2.33	200	-	200	Note 1
TAIPEI FUBON BANK	2020.03.02-2040.03.02	Principal repayable quarterly after the grace period of 3 years from March 2, 2020 to March 2, 2023, floating rate	2.62	3,960	52,470	56,430	Note 1
	2020.03.02-2040.03.02	Principal repayable quarterly after the grace period of 3 years from March 2, 2020 to March 2, 2023, floating rate	2.62	1,320	17,490	18,810	Note 1
				$ 9,280	$ 69,960	$ 79,240	

Note 1: Net fixed assets of $158,304 thousand have been pledged as collateral for bank financing. Please refer to Note 29 for the details.

STATEMENT 9

FORCECON TECH. CO., LTD.

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Quantity (In Thousands of Sets/Pieces)	Amount
Thermal modules and fans - finished goods	48,725	$ 5,263,362
Semi-finished products and raw materials	764,417	583,092
Liquid cooling	186	14,945
		$ 5,861,399

FORCECON TECH. CO., LTD.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Name	Amount
Cost of goods sold for homemade products	
Raw material, beginning of year	$ 27,510
Add: Raw materials purchased	873,903
Less: Raw materials, end of year	(50,018)
Sales of raw materials	(861,884)
Miscellaneous inventory	(1,472)
Raw materials used	(11,961)
Direct Labor	512
Manufacturing Costs	13,053
Add: Work in process, beginning of year	2,886
Miscellaneous Inventory Receipt	4
Less: Work in process, end of year	(1,446)
Cost of finished goods	3,048
Add: Finished goods, beginning of year	348,324
Finished goods purchased	4,340,043
Less: Finished goods, end of year	(469,498)
Miscellaneous inventory	(7,065)
	4,214,852
Cost of raw materials sold	861,884
Purchase discounts and allowances	(18,449)
Others	28,520
	$ 5,086,807

FORCECON TECH. CO., LTD.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expense	General and Administrative Expense	Research and Development Expense
Payroll expense	$ 23,946	$ 114,346	$ 122,877
Royalty	71,628	-	-
Import/export expense	23,772	-	-
Depreciation expense	2,326	13,834	33,311
Sample expense	152	-	50,459
Miscellaneous expense	1,064	1,751	24,747
Software service expense	202	936	18,079
Others (Note)	17,845	49,090	67,331
	$ 140,935	$ 179,957	$ 316,804

Note: The amount of each item in others does not exceed 5% of the account balance.

FORCECON TECH. CO., LTD.

SUMMARY OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31					
	2025			2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits expenses						
Payroll expense	$ 8,569	$ 237,864	$ 246,433	$ 5,335	$ 290,215	$ 295,550
Remuneration of directors	-	13,189	13,189	-	20,627	20,627
Pension	436	10,116	10,552	280	9,715	9,995
Food stipend	375	6,646	7,021	227	6,418	6,645
Welfare	82	11,186	11,268	-	9,539	9,539
Labor and health insurance	920	19,448	20,368	555	21,001	21,556
Others	197	1,595	1,792	109	1,384	1,493
	$ 10,579	$ 300,044	$ 310,623	$ 6,506	$ 358,899	$ 365,405
Depreciation	$ 21,407	$ 49,471	$ 70,878	$ 5,255	$ 48,522	$ 53,777
Amortization	$ -	$ 11,112	$ 11,112	$ -	$ 10,943	$ 10,943

Note 1: For the years ended December 31, 2025 and 2024, the number of employees of the Company was 274 and 273, respectively, both including 5 and 5 directors who did not serve concurrently as employees.

Note 2: 1) The average employee benefits expense for the current year is $1,106 thousand. The average employee benefits expense for the previous year is $1,286 thousand.

2) The average employee payroll expense for the current year is $916 thousand. The average employee payroll expense for the previous year is $1,103 thousand.

3) Average employee payroll expense decreased by 17%.

4) The Company’s compensation policy (including directors, managers and employees).

A. Pursuant to the provisions of the Articles, where the Company made a profit in a fiscal year, after paying taxes and offsetting accumulated losses, not more than 2% of distributable earnings will be used as the remuneration of directors for the current year. The general remuneration of directors of the Company is based on the consideration of the Company’s operating results and the level of involvement of individual directors in the Company’s daily operating activities. The independent directors of the Company are paid a monthly fixed remuneration package and do not participate in the distribution of the annual remuneration of directors.

B. The remuneration of the Company’s managers includes salary and employee remuneration, etc., paid and adjusted timely according to the employee’s contribution to the Company and with reference to the industry standards. When the Company has accumulated earnings, managers participate in the distribution of remuneration according to the Articles.

C. The salary and compensation arrangement of the Company’s employees is based on the premise of attracting outstanding talent. In addition to complying with relevant laws and regulations, the salary and compensation arrangement is also based on usual industry standards, taking into account individual employee contribution when deciding on the level of compensation and salary adjustments. When the Company has accumulated earnings, it shall distribute not less than 5% as compensation according to the Articles.