Forcecon Tech. Co., Ltd. and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as the companies required to be included in the consolidated financial statements of the parent company and its subsidiaries under International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of the parent company and its subsidiaries. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Forcecon Tech. Co., Ltd.

By:

____
CHEN-CHI JAO
Chairman

March 6, 2026

Deloitte.

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 consolidated financial statements of Forcecon Tech. Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter for the Group's consolidated 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 22 of the accompanying consolidated 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 Group’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.

Other Matter

We have also audited the parent company only financial statements of Forcecon Tech. Co., Ltd. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 consolidated financial statements are intended only to present the consolidated financial position, financial performance and 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 consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated 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 consolidated financial statements shall prevail.

FORCECON TECH. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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 29)	$ 1,613,151	17	$ 1,790,862	18
Financial assets at fair value through profit or loss - current (Notes 4, 7, 17 and 29)	1,449	-	205	-
Financial assets at amortized cost - current (Notes 4, 8 and 29)	89,920	1	89,560	1
Accounts receivable (Notes 4, 9, 22 and 29)	3,271,932	35	3,505,968	35
Current tax assets (Notes 4 and 24)	691	-	691	-
Inventories (Notes 4, 5 and 10)	1,508,772	16	1,388,324	14
Other current assets (Notes 4, 15 and 29)	145,202	2	255,829	3
Total current assets	6,631,117	71	7,031,439	71
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 29)	66,742	1	48,779	1
Financial assets at amortized cost - non-current (Notes 4, 8 and 29)	22,480	-	89,560	1
Property, plant and equipment (Notes 4, 12, 31 and 32)	2,111,542	23	2,183,723	22
Right-of-use assets (Notes 4, 13 and 31)	275,906	3	291,617	3
Intangible assets (Notes 4 and 14)	31,437	-	35,098	-
Deferred tax assets (Notes 4 and 24)	42,144	1	35,075	-
Prepayments for equipment	118,834	1	201,880	2
Other non-current assets (Notes 4, 15 and 29)	30,249	-	31,465	-
Total non-current assets	2,699,334	29	2,917,197	29
TOTAL	$ 9,330,451	100	$ 9,948,636	100

	2025		2024	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Short-term borrowings (Notes 16, 29 and 31)	$ 781,339	8	$ 1,046,032	11
Contract liabilities - current (Note 22)	25	-	296	-
Notes payable (Notes 18 and 29)	89,920	1	-	-
Accounts payable (Notes 18 and 29)	1,969,410	21	2,203,027	22
Other payables (Notes 19 and 29)	699,574	8	994,325	10
Current tax liabilities (Notes 4 and 24)	43,789	-	47,968	1
Lease liabilities - current (Notes 4 and 13)	44,658	1	40,088	-
Deferred revenue - current (Notes 4, 19 and 27)	9,441	-	-	-
Current portion of long-term borrowings (Notes 16, 29 and 31)	20,912	-	10,480	-
Other current liabilities (Note 19)	5,261	-	5,803	-
Total current liabilities	3,664,329	39	4,348,019	44
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4, 17 and 29)	192,678	2	187,561	2
Long-term borrowings (Notes 16, 29 and 31)	117,360	1	142,794	1
Deferred tax liabilities (Notes 4 and 24)	273,757	3	269,422	3
Lease liabilities - non-current (Notes 4 and 13)	62,284	1	76,316	1
Deferred revenue - non-current (Notes 4, 19 and 27)	28,199	-	-	-
Other non-current liabilities (Notes 19 and 29)	39,305	1	28,851	-
Total non-current liabilities	713,583	8	704,944	7
Total liabilities	4,377,912	47	5,052,963	51
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4 and 21)				
Share capital				
Ordinary shares	990,493	11	861,298	8
Capital surplus	2,360,869	25	2,337,894	23
Retained earnings				
Legal reserve	409,245	4	339,593	4
Special reserve	85,220	1	138,289	1
Unappropriated earnings	1,201,357	13	1,278,920	13
Total retained earnings	1,695,822	18	1,756,802	18
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 attributable to shareholders of the Company	4,952,539	53	4,895,673	49
Total equity	4,952,539	53	4,895,673	49
TOTAL	$ 9,330,451	100	$ 9,948,636	100

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

FORCECON TECH. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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 and 22)	$ 9,003,074	100	$ 9,001,173	100
OPERATING COSTS (Notes 10 and 23)	(7,245,520)	(81)	(7,195,894)	(80)
GROSS PROFIT	1,757,554	19	1,805,279	20
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	(366,896)	(4)	(348,779)	(4)
General and administrative expenses	(394,910)	(4)	(436,241)	(5)
Research and development expenses	(694,385)	(8)	(680,645)	(7)
Expected credit gain (loss) (Notes 4 and 9)	639	-	(746)	-
Total operating expenses	(1,455,552)	(16)	(1,466,411)	(16)
PROFIT FROM OPERATING	302,002	3	338,868	4
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 23)				
Interest income	33,772	-	57,423	1
Other income (Note 27)	278,940	3	291,113	3
Other gains and losses	(98,122)	(1)	158,788	2
Finance costs	(32,767)	-	(39,175)	(1)
Total non-operating income and expenses	181,823	2	468,149	5
PROFIT BEFORE INCOME TAX	483,825	5	807,017	9
INCOME TAX EXPENSE (Notes 4 and 24)	(114,156)	(1)	(110,494)	(1)
NET PROFIT FOR THE YEAR	369,669	4	696,523	8
OTHER COMPREHENSIVE INCOME (LOSS)				
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	1
Income tax related to items that may be reclassified subsequently to profit or loss (Notes 4 and 24)	(3,564)	-	(26,477)	-
Other comprehensive income for the year	14,254	-	105,911	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 383,923	4	$ 802,434	9
NET PROFIT ATTRIBUTABLE TO:				
Shareholders of the Company	$ 369,669	4	$ 696,523	8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the Company	$ 383,923	4	$ 802,434	9

(Continued)

FORCECON TECH. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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 25)				
Basic	$ 3.74		$ 7.19	
Diluted	$ 3.69		$ 7.07	

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

FORCECON TECH. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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								
Share-based payments	-	10,579	-	-	-	-	-	10,579
Equity component of convertible bonds issued by the Company	-	48,342	-	-	-	-	-	48,342
Overdue cash dividends	-	3	-	-	-	-	-	3
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 consolidated financial statements.

FORCECON TECH. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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	$ 483,825	$ 807,017
Adjustments for:		
Depreciation expense	535,224	457,942
Amortization expense	18,124	17,063
Expected credit loss recognized (reversed) on trade receivables	(639)	746
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(19,153)	12,487
Finance costs	32,767	39,175
Interest income	(33,772)	(57,423)
Dividend income	(572)	-
Compensation cost of share-based payments	22,972	10,579
Loss on disposal of property, plant and equipment	12,108	9,545
Write-down of inventories (reversed) recognized	(46,009)	44,128
Net gain on foreign currency exchange	(37,850)	(75,461)
Others	(9,213)	(16)
Changes in operating assets and liabilities		
Accounts receivable	289,730	(177,698)
Inventories	(74,959)	(143,474)
Other current assets	110,627	(118,569)
Contract liabilities	(271)	(434)
Accounts payable	(154,129)	218,191
Other payables	(202,032)	68,441
Other current liabilities	(542)	(82)
Cash generated from operations	926,236	1,112,157
Interest paid	(27,959)	(37,767)
Income tax paid	(124,633)	(112,017)
Net cash generated from operating activities	773,644	962,373
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at amortized cost	64,935	-
Purchase for financial assets at fair value through profit or loss	-	(50,000)
Payments for property, plant and equipment	(538,262)	(954,175)
Proceeds from disposal of property, plant and equipment	107	1,337
Decrease in refundable deposits	1,217	77
Payments for intangible assets	(14,683)	(18,934)
Decrease in other non-current assets	-	732
Increase in prepayments for equipment	-	(46,122)
Decrease in prepayments for equipment	82,312	-
Interests received	33,772	57,423
Dividends received	572	-
Government grants received	46,853	-
Net cash used in investing activities	(323,177)	(1,009,662)

(Continued)

FORCECON TECH. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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	$ (263,709)	$ (126,791)
Proceeds from issuance of convertible bonds	-	232,143
Proceeds form long-term borrowings	-	63,403
Repayments of long-term borrowings	(10,480)	(161,306)
Increase (decrease) in guarantee deposits	10,455	(14,420)
Repayment of the principal portion of lease liabilities	(43,263)	(38,101)
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	27,943	-
Unclaimed dividends extinguished by prescription	3	3
Net cash used in financing activities	(657,026)	(90,093)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	28,848	116,231
NET DECREASE IN CASH AND CASH EQUIVALENTS	(177,711)	(21,151)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,790,862	1,812,013
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,613,151	$ 1,790,862

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

FORCECON TECH. CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(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 consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and 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 accounting policies of the Company and the entities controlled by the Company (collectively, the "Group").

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 Group having no practical ability to withdraw, stop or cancel the payment instruction;

      - The Group 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 Group 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 consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards will not have a material impact on the Group’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.

<u>IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments</u>

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 Group 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 Group 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 consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group'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 consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated 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.

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 consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group 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. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

See Note 11 and Table 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity’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.

For the purpose of presenting consolidated financial statements, the financial statements of the Company’s foreign operations (including subsidiaries in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

f. 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.

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 Group 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 Group 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 Group 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, and 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 29.

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

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group 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 Group 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 Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

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 Group 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 Group 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 Group 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 Group 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 situations, 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 as at FVTPL.

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 29.

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 Group 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 Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, 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 is 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 Group 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 Group 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 Group 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 full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence.

The Group 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 Group assesses whether the contract is, or contains, a lease.

1) The Group 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 Group 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 Group, 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 Group as lessee

The Group 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 Group 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 consolidated 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 Group 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 Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group 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 Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

p. Share-based payment arrangements

<u>Employee share options granted to employees</u>

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 Group'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 Group 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 Group 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 Group 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 Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts 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

<u>Write-down of inventories</u>

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	$ 636	$ 1,030
Checking accounts and demand deposits	1,612,515	1,636,302
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	-	153,530
	$ 1,613,151	$ 1,790,862

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

	December 31	
	2025	2024
Demand deposits	0.01%-3.90%	0.01%-4.30%
Time deposits	2.15%	2.15%-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)		
Foreign exchange forward contracts	$ 1,444	$ -
Call options on convertible bonds (Note 17)	5	205
	$ 1,449	$ 205
Financial assets - non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic unlisted shares	$ 66,742	$ 48,779

At the end of the year, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2025			
Sell	USD/RMB	2026.01.15	USD 1,000
Sell	USD/RMB	2026.01.20	USD 3,000
Sell	USD/RMB	2026.02.24	USD 2,000
Sell	USD/RMB	2026.02.24	USD 1,000

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
Current		
Foreign investments		
Time deposits with original maturities of more than 3 months	$ 89,920	$ 89,560
Non-current		
Foreign investments		
Time deposits with original maturities of more than 3 months (Including time deposits with maturities exceeding one year)	$ 22,480	$ 89,560

As of December 31, 2025 and 2024, the annual interest rate of the above time deposits with original maturities of more than 3 months were consistently 2.15%-3.1% and 3.1%-3.3%, respectively.

9. ACCOUNTS RECEIVABLE

	December 31 2025	December 31 2024
Accounts receivable	$ 3,272,065	$ 3,506,740
Less: Allowance for impairment loss	(133)	(772)
	$ 3,271,932	$ 3,505,968

Accounts receivable at amortized cost

In order to minimize credit risk, the Group 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 Group's credit risk was significantly reduced.

The Group 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 Group'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 Group's different customer base.

The Group 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 Group 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 Group'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	$ 3,261,812	$ 9,004	$ 1,168	$ 81	$ -	$ 3,272,065
Loss allowance (Lifetime ECLs)	-	-	(117)	(16)	-	(133)
Amortized cost	$ 3,261,812	$ 9,004	$ 1,051	$ 65	$ -	$ 3,271,932

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	$ 3,492,102	$ 10,639	$ 274	$ 3,725	$ -	$ 3,506,740
Loss allowance (Lifetime ECLs)	-	-	(27)	(745)	-	(772)
Amortized cost	$ 3,492,102	$ 10,639	$ 247	$ 2,980	$ -	$ 3,505,968

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

	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Balance on January 1	$ 772	$ 4,769
Add: Net remeasurement of loss allowance	(639)	746
Loss: Amounts written off	-	(4,884)
Foreign exchange difference	-	141
Balance on December 31	$ 133	$ 772

10. INVENTORIES

	December 31	
	2025	2024
Finished goods	$ 901,034	$ 852,502
Work in progress	211,133	172,451
Raw materials	396,605	363,371
	$ 1,508,772	$ 1,388,324

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

	For the Year Ended December 31	
	2025	2024
Cost of inventories sold	$ 7,291,529	$ 7,151,766
Write-down of inventories (reversed) recognized	(46,009)	44,128
	$ 7,245,520	$ 7,195,894

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

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

			Proportion of Ownership (%) December 31		
Investor	Investee	Nature of Activities	2025	2024	Remark
The Company	Forcecon Technology Co., Ltd. (Mauritius)	Development and investment business	100	100	-
	Forcecon Technology Vietnam Co., Ltd. (the "Vietnam Forcecon")	Manufacturing of electronic components, import and export of goods	100	100	-
	FCNA Corporation (the "U.S. Forcecon")	Assisting the Company in servicing its U.S. clientele	100	-	1)
Forcecon Technology Co., Ltd. (Mauritius)	Suzhou Forcecon Electric Co., Ltd. (the "Suzhou Forcecon")	New electronic components (CPU thermal module), computer and electronic motor related spare parts	100	100	-
Suzhou Forcecon	Chongqing Forcecon Technology Corporation (the "Chongqing Forcecon")	New electronic components (CPU thermal module), computer and electronic motor related spare parts	100	100	-
	Anhui Forcecon Electronics Co., Ltd. (the "Anhui Forcecon")	Manufacturing of electronic components; wholesale of electronic components; retail of electronic components; import and export of goods	100	100	-
Chongqing Forcecon	Sichuan Forcecon Technology Co., Ltd. (the "Sichuan Forcecon")	New electronic components (CPU thermal module), computer and electronic motor related spare parts	100	100	-

Remarks:

1) The Group established FCNA Corporation in July 2025 and invested capital of USD300 thousand in November 2025.

12. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2025	2024
Assets used by the Group	$ 2,111,542	$ 2,183,723

	Assets used by the Company								
	Freehold Land	Buildings	Machinery Equipment	Mold Equipment	Research and Development Equipment	Transportation Equipment	Other Equipment	Construction In Progress	Total
Cost									
Balance on January 1, 2025	$ 114,272	$ 1,129,280	$ 367,962	$ 378,852	$ 37,205	$ 12,147	$ 1,948,361	$ 106,711	$ 4,094,790
Additions	-	12,023	20,485	133,365	6,781	1,058	255,296	16,758	445,766
Disposals/derecognition	-	-	(39,076)	(63,520)	(8,797)	-	(53,785)	-	(165,178)
Reclassification	-	72,220	169	-	-	-	6,971	(78,627)	733
Effects of foreign currency exchange differences	-	(6,175)	(2,649)	4,220	455	(1,207)	(57,838)	(4,403)	(67,597)
Balance on December 31, 2025	$ 114,272	$ 1,207,348	$ 346,891	$ 452,917	$ 35,644	$ 11,998	$ 2,099,005	$ 40,439	$ 4,308,514
Accumulated depreciation									
Balance on January 1, 2025	$ -	$ 431,265	$ 268,543	$ 284,586	$ 16,132	$ 7,908	$ 902,633	$ -	$ 1,911,067
Depreciation expense	-	45,193	17,872	100,405	12,719	1,183	311,968	-	489,340
Disposals/derecognition	-	-	(35,172)	(63,520)	(8,797)	-	(45,474)	-	(152,963)
Effects of foreign currency exchange differences	-	2,924	(7,100)	2,567	-	(1,188)	(47,675)	-	(50,472)
Balance on December 31, 2025	$ -	$ 479,382	$ 244,143	$ 324,038	$ 20,054	$ 7,903	$ 1,121,452	$ -	$ 2,196,972
Carrying amount on December 31, 2025	$ 114,272	$ 727,966	$ 102,748	$ 128,879	$ 15,590	$ 4,095	$ 977,553	$ 40,439	$ 2,111,542
Cost									
Balance on January 1, 2024	$ 114,272	$ 804,471	$ 330,973	$ 325,681	$ 40,258	$ 12,497	$ 1,391,631	$ 66,047	$ 3,085,830
Additions	-	174,636	35,170	99,340	14,077	1,440	581,623	132,222	1,038,508
Disposals/derecognition	-	-	(18,897)	(57,583)	(17,130)	(2,149)	(35,083)	-	(130,842)
Reclassification	-	123,950	-	-	-	-	-	(92,829)	31,121
Effects of foreign currency exchange differences	-	26,223	20,716	11,414	-	359	10,190	1,271	70,173
Balance on December 31, 2024	$ 114,272	$ 1,129,280	$ 367,962	$ 378,852	$ 37,205	$ 12,147	$ 1,948,361	$ 106,711	$ 4,094,790
Accumulated depreciation									
Balance on January 1, 2024	$ -	$ 379,299	$ 257,157	$ 241,682	$ 20,138	$ 8,342	$ 682,838	$ -	$ 1,589,456
Depreciation expense	-	39,675	18,693	92,034	13,124	1,258	252,055	-	416,839
Disposals/derecognition	-	-	(15,087)	(57,583)	(17,130)	(1,934)	(28,226)	-	(119,960)
Effects of foreign currency exchange differences	-	12,291	7,780	8,453	-	242	(4,034)	-	24,732
Balance on December 31, 2024	$ -	$ 431,265	$ 268,543	$ 284,586	$ 16,132	$ 7,908	$ 902,633	$ -	$ 1,911,067
Carrying amount on December 31, 2024	$ 114,272	$ 698,015	$ 99,419	$ 94,266	$ 21,073	$ 4,239	$ 1,045,728	$ 106,711	$ 2,183,723

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

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

Buildings	20 years
Machinery equipment	2-10 years
Mold equipment	2 years
Research and development equipment	3 years
Transportation equipment	5 years
Other equipment	2-10 years

Please refer to Note 31 for the amount of property, plant and equipment pledged as collateral for the Group's borrowings.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
Carrying amount		
Land	$ 166,465	$ 174,395
Buildings	109,441	117,222
	$ 275,906	$ 291,617

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	$ 33,926	$ 62,806
Depreciation charge for right-of-use assets		
Land	$ 4,222	$ 4,396
Buildings	41,662	36,707
	$ 45,884	$ 41,103

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

b. Lease liabilities

	December 31	
	2025	2024
Carrying amount		
Current	$ 44,658	$ 40,088
Non-current	$ 62,284	$ 76,316

Discount rates for lease liabilities were as follows:

	December 31	
	2025	2024
Buildings	1.370%-4.300%	1.370%-4.300%

c. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	$ 10,318	$ 9,280
Expenses relating to low-value asset leases	$ 7,198	$ 11,108
Total cash outflow for leases	$ (63,509)	$ (61,398)

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

14. INTANGIBLE ASSETS

	Software	Technical Skills	Total
Cost			
Balance on January 1, 2025	$ 63,824	$ 14,162	$ 77,986
Additions	14,683	-	14,683
Disposals/derecognition	(8,505)	-	(8,505)
Effect of foreign currency exchange differences	(786)	-	(786)
Balance on December 31, 2025	$ 69,216	$ 14,162	$ 83,378
Accumulated amortization			
Balance on January 1, 2025	$ (31,086)	$ (11,802)	$ (42,888)
Amortization expense	(15,764)	(2,360)	(18,124)
Disposals/derecognition	8,505	-	8,505
Effect of foreign currency exchange differences	566	-	566
Balance on December 31, 2025	$ (37,779)	$ (14,162)	$ (51,941)
Carrying amount on December 31, 2025	$ 31,437	$ -	$ 31,437
Cost			
Balance on January 1, 2024	$ 48,069	$ 14,162	$ 62,231
Additions	18,934	-	18,934
Disposals/derecognition	(4,306)	-	(4,306)
Effect of foreign currency exchange differences	1,127	-	1,127
Balance on December 31, 2024	$ 63,824	$ 14,162	$ 77,986
Accumulated amortization			
Balance on January 1, 2024	$ (22,502)	$ (7,081)	$ (29,583)
Amortization expense	(12,342)	(4,721)	(17,063)
Disposals/derecognition	4,306	-	4,306
Effect of foreign currency exchange differences	(548)	-	(548)
Balance on December 31, 2024	$ (31,086)	$ (11,802)	$ (42,888)
Carrying amount on December 31, 2024	$ 32,738	$ 2,360	$ 35,098

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

Software	2-10 years
Technical skills	3 years

15. OTHER ASSETS

	December 31	
	2025	2024
Current		
Other receivables		
Measured at amortized cost	$ 33,587	$ 38,578
Other assets		
Prepayments	62,744	74,692
Excess VAT paid	44,825	136,202
Temporary payments	4,046	6,357
	$ 145,202	$ 255,829
Non-current		
Other assets		
Refundable deposits	$ 30,168	$ 31,385
Prepayments	81	80
	$ 30,249	$ 31,465

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2025	2024
Unsecured borrowings		
Line of credit borrowings	$ 781,339	$ 1,046,032

The range of interest rates on the above borrowings was 1.85%-4.85% and 2.05%-3.40% per annum at December 31, 2025 and 2024, respectively.

b. Long-term borrowings

	December 31	
	2025	2024
Secured borrowings (Note 31)		
Bank loans (1)	$ 79,240	$ 89,720
Unsecured borrowings		
Bank loans (2)	59,032	63,554
Less: Current portion	(20,912)	(10,480)
Long-term borrowings	$ 117,360	$ 142,794

1) The above borrowings are secured by the Group'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.

2) The bank loans are due in April 20, 2029. As of December 31, 2025 and 2024, the effective annual interest rate range was 5.6%-6.1% and 5.9%-6.2%, respectively.

17. 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 call/put 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 on December 31, 2025	$ 192,678

18. NOTES AND ACCOUNTS PAYABLE

	December 31	
	2025	2024
Notes payable		
Operating	$ 89,920	$ -
Accounts payable		
Operating	$ 1,969,410	$ 2,203,027

The Group's credit period on purchases of goods was about 45 to 165 days.

19. OTHER LIABILITIES

	December 31	
	2025	2024
Current		
Other payables		
Accrued expenses	$ 443,245	$ 579,078
Payables for salaries or bonuses	217,830	284,252
Payables for purchases of equipment	38,499	130,995
	$ 699,574	$ 994,325
Deferred revenue		
Government grants (Note 27)	$ 9,441	$ -
Other liabilities		
Receipt under custody	$ 5,261	$ 5,783
Others	-	20
	$ 5,261	$ 5,803
Non-current		
Other liabilities		
Guarantee deposit received	$ 39,305	$ 28,851
Deferred revenue		
Government grants (Note 27)	$ 28,199	$ -

20. 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.

21. 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 (Note)		
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 17)	48,342	48,342
	$ 2,360,869	$ 2,337,894

Note: 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 23(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 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 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%

The compensation costs of $22,972 thousand recognized by the Company in 2025.

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.

22. REVENUE

	For the Year Ended December 31	
	2025	2024
Revenue from contracts with customers		
Revenue from the sale of goods	$ 9,003,074	$ 9,001,173

a. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts receivable (Note 9)	$ 3,271,932	$ 3,505,968	$ 3,264,352
Contract liabilities			
Sale of goods	$ 25	$ 296	$ 730

The changes in the balance of contract liabilities primarily resulted from the timing difference between the Group'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	$ 8,095,539	$ 8,160,097
Asia	740,371	710,538
Taiwan (location of the Company)	164,132	126,837
Other	3,032	3,701
	$ 9,003,074	$ 9,001,173

23. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2025	2024
Bank deposits	$ 33,772	$ 57,423

b. Other income

	For the Year Ended December 31	
	2025	2024
Scrap income	$ 170,520	$ 163,908
Sample and mold income	43,284	41,363
Government grant income	36,221	27,423
Compensation for excess material	10,992	23,717
Rental income	4,053	2,897
Dividend income	572	-
Customer subsidy income	-	14,917
Others	13,298	16,888
	$ 278,940	$ 291,113

c. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Gain (loss) on financial instruments at FVTPL	$ 19,153	$ (12,487)
Gain on modification of lease	-	16
Loss on disposal of property, plant and equipment	(12,108)	(9,545)
Net (loss) gain on foreign exchange	(97,752)	184,468
Others	(7,415)	(3,664)
	$ (98,122)	$ 158,788

d. Finance costs

	For the Year Ended December 31	
	2025	**2024**
Interest on bank loans	$ 24,910	$ 33,182
Interest on convertible bonds	5,116	3,075
Interest on lease liabilities	2,730	2,909
Interest on guarantee deposits	11	9
	$ 32,767	$ 39,175

e. Depreciation and amortization

	For the Year Ended December 31	
	2025	**2024**
An analysis of depreciation by function		
Operating costs	$ 390,295	$ 343,343
Operating expenses	144,929	114,599
	$ 535,224	$ 457,942
An analysis of amortization by function		
Operating costs	$ 1,185	$ 595
General and administrative expenses	7,581	4,551
Research and development expenses	9,358	11,917
	$ 18,124	$ 17,063

f. Employee benefits expense

	For the Year Ended December 31	
	2025	**2024**
Short-term benefits	$ 1,382,987	$ 1,433,776
Post-employment benefits (Note 20)		
Defined contribution plans	10,552	9,995
Share-based payments		
Equity-settled	22,092	10,579
Termination benefits	2,835	2,946
Total employee benefits expense	$ 1,418,466	$ 1,457,296
An analysis of employee benefits expense by function		
Operating costs	$ 808,710	$ 772,421
Operating expenses	609,756	684,875
	$ 1,418,466	$ 1,457,296

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**
Employees' compensation	$ 72,271	$ 125,391
Remuneration of directors	9,636	16,719

If there is a change in the amounts after the annual consolidated 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 consolidated 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.

24. 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	$ 116,774	$ 135,400
Income tax on unappropriated earnings	9,579	2,003
Adjustments for prior year	(6,109)	(24,748)
	120,244	112,655
Deferred tax		
In respect of the current year	(6,088)	(2,161)
Income tax expense recognized in profit or loss	$ 114,156	$ 110,494

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	$ 483,825	$ 807,017
Income tax expense calculated at the statutory rate (20%)	$ 96,765	$ 161,403
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	28,619	14,932
Effect of different tax rates of group entities operating in other jurisdictions	(15,607)	(43,711)
Adjustments for prior years' tax	(6,109)	(24,748)
Income tax expense recognized in profit or loss	$ 114,156	$ 110,494

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	$ 43,789	$ 47,968

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	Effect of Foreign Currency Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Unrealized gross profit	$ 24,465	$ 1,824	$ -	$ -	$ 26,289
Deferred revenue	-	5,436	-	210	5,646

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Effect of Foreign Currency Exchange Differences	Closing Balance
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	$ 6,859	$ -	$ 210	$ 42,144
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
Unrealized valuation gain or loss on investments in equity instruments	-	3,349	-	-	3,349
Unrealized foreign exchange gains	2,578	(2,578)	-	-	-
	$ 269,422	$ 771	$ 3,564	$ -	$ 273,757

(Concluded)

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

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
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

(Concluded)

e. Income tax assessments

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

25. 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	96,808
Effect of potentially dilutive ordinary shares:		
Employees' compensation	959	1,141
Convertible bonds	1,470	834
Employee share options	-	19
Weighted average number of ordinary shares used in the computation of diluted earnings per share	101,365	98,802

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.

26. 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.

27. GOVERNMENT GRANTS

In November 2025, the Company received a government grant of $46,853 thousand for the upgrade of equipment. The amount was recognized as deferred revenue and subsequently transferred to profit or loss over the useful life of the related asset. This policy resulted in other income of $9,213 thousand for the year ended December 31, 2025.

28. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns 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 reviews the capital structure regularly. As part of this review, the key management personnel considers 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 number 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.

29. 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	$ -	$ 221,000	$ -	$ 221,000

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	$ -	$ 1,449	$ -	$ 1,449
Domestic unlisted shares	-	-	66,742	66,742
Derivative financial liabilities	$ -	$ 1,449	$ 66,742	$ 68,191

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
Derivative financial liabilities	$ -	$ 205	$ 48,779	$ 48,984

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

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 - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the year and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
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	$ 68,191	$ 48,984
Financial asset at amortized cost (Note 1)	5,061,238	5,545,913
Financial liabilities		
Amortized cost (Note 2)	3,910,498	4,613,070

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

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, other payables, 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.

The Company mitigates the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Corporation's board of directors, which provide written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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).

The Company entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk, including using forward foreign exchange contracts to avoid exchange rate risks arising from sales of goods denominated in foreign currencies.

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 86% of the Company's sales is denominated in currencies other than the functional currency of the entity in the Company making the sale, whilst almost 22.58% of costs is denominated in currencies other than the functional currency of the entity in the Company. Exchange rate exposures are managed within approved policy parameters utilizing natural hedges and foreign exchange forward contracts.

The carrying amounts of the non - functional currency monetary assets and monetary liabilities (Including those eliminated on consolidation) at the balance sheet date were referred to Note 33.

<u>Sensitivity analysis</u>

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 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	$ (36,065)	$ (38,275)
Equity	(36,065)	(38,275)

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

b) Interest rate risk

The Company is exposed to interest rate risk because entities in the Company borrow 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	$ 112,400	$ 332,650
Financial liabilities	848,132	855,959
Cash flow interest rate risk		
Financial assets	1,612,515	1,636,302
Financial liabilities	371,099	647,312

<u>Sensitivity analysis</u>

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 $12,414 thousand and $9,890 thousand, respectively, which was mainly a result of the Company's variable rate bank borrowings.

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 consolidated 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, consistently accounting for 90% and 93% of total accounts receivable as of December 31, 2025 and 2024, respectively.

The Company's concentration of credit risk of 65% and 62% 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 $4,267,293 thousand and $4,412,230 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	$ 362,928	$ 1,052,533	$ 553,949	$ -	$ -
Lease liabilities	1,831	8,363	36,713	64,337	-
Variable interest rate liabilities	-	102,620	18,293	201,347	48,840
Fixed interest rate liabilities	-	359,680	188,832	192,678	-
	$ 364,759	$ 1,523,196	$ 797,787	$ 458,362	$ 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	$ 120,913	$ 201,347	$ 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	$ 459,589	$ 1,076,039	$ 667,399	$ -	$ -
Lease liabilities	1,855	8,049	36,613	73,504	1,309
Variable interest rate liabilities	86,797	409,860	7,860	88,675	54,120
Fixed interest rate liabilities	179,120	89,560	283,314	187,561	-
	$ 727,361	$ 1,583,508	$ 995,186	$ 349,740	$ 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	$ 504,517	$ 88,675	$ 26,400	$ 26,400	$ 1,320

30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

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.

31. 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	88,828
Right-of-use assets	-	87,059
	$ 158,303	$ 290,159

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Unrecognized commitments

	December 31	
	2025	2024
Acquisition of property, plant and equipment	$ 90,098	$ 266,410

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group 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
USD	126,721	7.0288 (USD:RMB)	4,004,575
USD	219	25,121 (USD:VND)	6,451
			$ 7,139,209

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	$ 91,363	31.43 (USD:NTD)	$ 2,871,542
USD	15,204	7.0288 (USD:RMB)	480,471
USD	6,123	25,121 (USD:VND)	180,720
			$ 3,532,733

(Concluded)

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 91,361	32.785 (USD:NTD)	$ 2,995,269
USD	112,167	7.1884 (USD:RMB)	3,610,632
USD	1,974	24,335 (USD:VND)	60,764
			$ 6,666,665
Financial liabilities			
Monetary items			
USD	64,949	32.785 (USD:NTD)	$ 2,129,350
USD	17,461	7.1884 (USD:RMB)	562,077
USD	4,799	24,335 (USD:VND)	147,737
			$ 2,839,164

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
USD	7.0288 (USD:RMB)	(6,203)	7.1884 (USD:RMB)	82,044
USD	25,121 (USD:VND)	532	24,335 (USD:VND)	(79)
		$ (32,430)		$ 94,852

34. 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)

   6) Other: Intercompany relationships and significant intercompany transactions (Table 6)

b. Information on investees (Table 7)

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 8)

   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 9):

      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

35. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types and regions of products. The Group's reportable segments were as follows:

The Company - research and development, manufacturing and sales

Suzhou Forcecon - research and development, manufacturing, processing and sales

Chongqing Forcecon - research and development, manufacturing, processing and sales

Sichuan Forcecon - research and development, manufacturing, processing and sales

a. Segment revenue and results

The following was an analysis of the Company's revenue and results from continuing operations by reportable segments:

	The Company	Suzhou Forcecon	Chongqing Forcecon	Sichuan Forcecon	Other Segments	Adjustments and Eliminations	Total
For the year ended December 31, 2025							
Revenue from external customers	$ 5,278,383	$ 1,217,799	$ 1,677,909	$ 828,716	$ 267	$ -	$ 9,003,074
Inter-segment revenue	583,016	4,038,875	595,054	884,364	1,224,039	(7,325,348)	-
Segment revenue	$ 5,861,399	$ 5,256,674	$ 2,272,963	$ 1,713,080	$ 1,224,306	$ (7,325,348)	$ 9,003,074
Segment income	$ 128,412	$ (11,695)	$ 253,408	$ (72,324)	$ (66,281)	$ 70,482	$ 302,002
Interest income							33,772
Other income							278,940
Other gains and losses							(98,122)
Finance costs							(32,767)
Profit before tax							$ 483,825
For the year ended December 31, 2024							
Revenue from external customers	$ 4,367,473	$ 2,126,575	$ 2,054,958	$ 452,167	$ -	$ -	$ 9,001,173
Inter-segment revenue	679,697	3,270,880	696,134	1,081,051	1,057,910	(6,785,672)	-
Segment revenue	$ 5,047,170	$ 5,397,455	$ 2,751,092	$ 1,533,218	$ 1,057,910	$ (6,785,672)	$ 9,001,173
Segment income	$ (10,412)	$ (29,954)	$ 269,699	$ 72,509	$ (26,593)	$ 63,619	$ 338,868
Interest income							57,423
Other income							291,113
Other gains and losses							158,788
Finance costs							(39,175)
Profit before tax							$ 807,017

Segment profit represents the profit earned by each segment, excluding interest income, other income, other gains and losses, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Other segment information

	Depreciation and Amortization For the Year Ended December 31 2025	2024
The Company	$ 81,990	$ 64,720
Suzhou Forcecon	138,220	167,731
Chongqing Forcecon	108,410	107,207
Sichuan Forcecon	158,674	99,366
Anhui Forcecon	55,434	33,463
Vietnam Forcecon	10,979	3,676
U.S. Forcecon	184	-
Adjustments and Eliminations	(543)	(1,158)
	$ 553,348	$ 475,005

c. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services:

	For the Year Ended December 31	
	2025	2024
Cooling module and fans	$ 9,003,074	$ 9,001,173

d. Geographical information

The Group mainly operates in Taiwan and China.

The Group's revenue from continuing operations from external customers by location of operations and information on its non-current assets by location of assets are detailed below:

	Revenue from External Customers For the Year Ended December 31		Non-current Assets December 31	
	2025	2024	2025	2024
Taiwan	$ 5,278,383	$ 4,367,473	$ 367,732	$ 385,109
China	3,724,691	4,633,700	2,200,236	2,358,674
	$ 9,003,074	$ 9,001,173	$ 2,567,968	$ 2,743,783

Non-current assets exclude financial instruments and deferred tax assets.

e. Information on major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2025	2024
Customer A	$ 1,836,853	$ 1,567,354
Customer B	1,709,208	1,429,084
Customer C	1,396,439	991,286
Customer D	542,458	1,414,337

FORCECON TECH. CO., LTD. AND SUBSIDIARIES

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.	Others receivable 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.

TABLE 2

FORCECON TECH. CO., LTD. AND SUBSIDIARIES

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.	(Note 3)	$ 3,962,031	$ 215,833	$ -	$ -	$ -	-	$ 3,962,031	Y	N	Y
		Chongqing Forcecon Technology Corporation	(Note 3)	3,962,031	467,055	-	-	-	-	3,962,031	Y	N	Y
		Sichuan Forcecon Technology Co., Ltd.	(Note 3)	3,962,031	98,055	-	-	-	-	3,962,031	Y	N	Y
		Forcecon Technology Vietnam Co., Ltd.	(Note 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.

TABLE 3

FORCECON TECH. CO., LTD. AND SUBSIDIARIES

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. AND SUBSIDIARIES

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. AND SUBSIDIARIES

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	-	-	-	-
Anhui Forcecon Technology Co., Ltd.	Suzhou Forcecon Electric Co., Ltd.	Subsidiary	208,511 (RMB 46,377)	3.99	-	-	-	-

FORCECON TECH. CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms (Note 4)	% of Total Sales or Assets (Note 3)
0	Forcecon Tech. Co., Ltd.	Suzhou Forcecon Electric Co., Ltd.	1	Sales	$ 175,389	-	2
				Accounts receivable	272,291	-	3
				Other income	30,562	-	-
				Purchase	3,370,643	-	37
				Accounts payable	1,837,836	-	20
		Chongqing Forcecon Technology Corporation	1	Sales	407,621	-	5
				Accounts receivable	163,414	-	2
				Other income	24,304	-	-
				Purchase	407,589	-	5
				Accounts payable	270,193	-	3
		Sichuan Forcecon Technology Co., Ltd.	1	Other income	15,190	-	-
				Purchase	402,705	-	4
				Accounts payable	247,688	-	3
		Anhui Forcecon Electronics Co., Ltd.	1	Purchase	157,913	-	2
				Accounts payable	159,834	-	2
		Forcecon Technology Vietnam Co., Ltd.	1	Other receivable	31,827	-	-
1	Suzhou Forcecon Electric Co., Ltd.	Sichuan Forcecon Technology Co., Ltd.	3	Purchase	297,775	-	3
				Accounts receivable	50,222	-	1
		Anhui Forcecon Electronics Co., Ltd.	3	Sales	101,001	-	1
				Accounts receivable	90,782	-	1
				Proceeds from sales of property, plant and equipment	27,721	-	-
				Other receivable	16,386	-	-
				Purchase	1,067,654	-	12
				Accounts payable	208,343	-	2
		Forcecon Technology Vietnam Co., Ltd.	3	Sales	10,288	-	-
2	Chongqing Forcecon Technology Corporation	Sichuan Forcecon Technology Co., Ltd.	3	Sales	32,968	-	-
				Proceeds from sales of property, plant and equipment	11,771	-	-
				Purchase	180,409	-	2
				Accounts receivable	52,091	-	1

Note 1: Companies in the "No." column are denoted as follows:

1. Parent Company is numbered as 0.
2. Subsidiaries are numbered sequentially according to their company name starting from 1.

(Continued)

Note 2: The relationships between the investee company and the counterparty are numbered as follows:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: If financial statement accounts are classified as items in the balance sheets, the ratio is calculated by dividing the ending balance by the total assets. If the financial statement accounts are classified as items in the income statement, the ratio is calculated by dividing the accumulated amount in the interim period by total sales.

Note 4: Sales between the parent company and its subsidiaries are handled on the basis of general sales terms and conditions.

Note 5: For the standard amount disclosed above, it is based on the disclosure standard of transactions amounting to 10,000 thousand dollars or more.

(Concluded)

FORCECON TECH. CO., LTD. AND SUBSIDIARIES

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 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 8 for information on investments in mainland China.

FORCECON TECH. CO., LTD.AND SUBSIDIARIES

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.

FORCECON TECH. CO., LTD. AND SUBSIDIARIES

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	-	-	-	-