

**HONG TAI ELECTRIC INDUSTRIAL CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
For the Years Ended
December 31, 2025 And 2024**

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Financial Statements

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**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 parent and subsidiary companies as provided in International Financial Reporting Standard 10. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

By

CHIU CHIANG INVESTMENT CO., LTD.

CHEN, SHI-YI

Person in charge

March 13, 2026

Independent Auditors' Report Translated from Chinese

To the Board of Directors and Stockholders of
Hong Tai Electric Industrial Co., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of Hong Tai Electric Industrial Co., LTD. and its subsidiaries (the "Group") as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024 and notes to the consolidated financial statements, including the summary of significant accounting policies.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and their consolidated financial performance and cash flows for the years ended December 31, 2025 and 2024 in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2025 consolidated financial statements. 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.

Impairment assessment of accounts receivable

As of December 31, 2025, the Group's accounts receivable amounted to NT\$535,315 thousand, representing 6% of total assets, which was significant to the consolidated financial statements. Due to loss allowance for accounts receivable was based on expected credit losses duration of the company, the measurement process must distinguish groups appropriately for accounts receivable and judge the analysis and measurement process, evaluation and application of relevant assumptions, including the appropriate aging period and the loss rate of each aging period. Based on measuring expected credit losses was involving judgment, analysis and estimation, we listed impairment assessment of accounts receivable as a key audit matter.

The audit procedures we performed regarding impairment assessment of accounts receivable included but not limited to: evaluate and test the effectiveness of the controls related to impairment assessment of accounts receivable; analyze the suitability of management to determine customer grouping that based on customer credit risk characteristics, and whether the accounting policy and loss rate were reasonable; check the sampled acceptance or shipping documents to the accounts receivable aging table to confirm the correctness of the accounts receivable aging period; test the preparation matrix, including evaluating whether the decision of each group of aging intervals is reasonable, and recalculating the loss rate that calculated by the rolling rate every month during a year; consider the reasonableness of forward-looking information included in the loss rate assessment and evaluate whether such forward-looking information affects the loss rate, and recalculate the correctness of the allowance for loss proposed by the management. In addition, for customers with a large balance of accounts receivable at the end of the period, review the post-period collection of accounts receivable to assess the recoverability of accounts receivable.

We also consider the appropriateness of the accounts receivable disclosure included in note 5 and 6 to the consolidated financial statements.

Valuation of inventories

As of December 31, 2025, the Group's net inventories amounted to NT\$2,740,276 thousand, representing 28% of total assets, which was significant to the consolidated financial statements. Due to inventories remeasured by lower of cost or net realizable value, the valuation of inventories were influenced by international copper prices and material price fluctuate frequently, and involved in the subjective judgement of the management, we listed valuation of inventories as a key audit matter.

The audit procedures we performed regarding valuation of inventories included but not limited to: evaluate and test the effectiveness of controls related to valuation of inventories; evaluate the appropriateness of the management's policies regarding the writing-down of slow-moving inventories, and sample to test the accuracy of inventories aging; perform sampling to verify the related documentation and recalculate the net realizable value was used accurate by the management; evaluate the management's inventory plan and observe the stock taking to identify the writing-down of slow-moving inventories.

We also consider the appropriateness of the inventory disclosure included in note 5 and 6 to the consolidated financial statements.

Revenue recognition

The Group recognized operating revenue from sale of NT\$7,550,460 thousand in the year ended December 31, 2025, which was significant to the consolidated financial statements. It's critical for financial statements audit to justify and analyze the obligation of customers contracts and the timing and completeness of revenue recognition. Therefore, we listed revenue recognition as a key audit matter.

The audit procedures we performed regarding revenue recognition included but not limited to: evaluate and test the effectiveness of controls related to revenue recognition; inspect the terms of transaction and understand the revenue recognition process related to the identified obligation of customer contract; perform test of details, including verify the samples of the related documentation and the collection records, to ensure accurate timing and amount for revenue recognition; inspect the supporting document of sales transaction near the balance sheet date to ensure revenue recognized in proper period.

We also consider the appropriateness of the revenue disclosure included in note 6 to the consolidated financial statements.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of the 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 ability to continue as a going concern of the Group, 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 audit committee, are responsible for overseeing the financial reporting process of the Group.

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 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 the 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 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 internal control of the Company and its subsidiaries.
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 ability to continue as a going concern of the Group. 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 accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the 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 2025 consolidated financial statements 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.

Other

We have audited and expressed an unqualified opinion on the parent company only financial statement of the company as of and for the years ended December 31, 2025 and 2024.

Liu, Jung-Chin
Yang, Hung-Bin
Ernst & Young, Taiwan
March 13, 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations 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 accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

Consolidated Balance Sheets

As at December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

| Assets | | | December 31, 2025 | | December 31, 2024 | |
|--------|--|--------------|--------------------|------------|--------------------|------------|
| Code | Items | Notes | Amount | % | Amount | % |
| | Current Assets | | | | | |
| 1100 | Cash and Cash equivalents | 4, 6.1 | \$1,450,333 | 15 | \$781,120 | 9 |
| 1110 | Financial Assets at Fair Value Through Profit or Loss, Current | 4, 6.2 | 327,415 | 4 | 312,913 | 4 |
| 1120 | Financial Assets at Fair Value Through Other Comprehensive Income, Current | 4, 6.3 | 25,201 | - | 22,102 | - |
| 1136 | Financial Assets Measured at Amortized Cost, Current | 4, 6.4, 8 | 33,500 | - | 678 | - |
| 1150 | Notes Receivable, Net | 4, 6.5, 6.15 | 36,786 | - | 42,639 | 1 |
| 1170 | Accounts Receivable, Net | 4, 6.6, 6.15 | 535,315 | 6 | 1,270,916 | 15 |
| 1200 | Other Receivables | | 27,893 | - | 5,880 | - |
| 130x | Inventories | 4, 6.7 | 2,740,276 | 28 | 2,378,842 | 28 |
| 1410 | Prepayments | 7 | 94,788 | 1 | 118,093 | 1 |
| 1470 | Other Current Assets | | - | - | 20 | - |
| 11xx | Total Current Assets | | <u>5,271,507</u> | <u>54</u> | <u>4,933,203</u> | <u>58</u> |
| | Non - Current Assets | | | | | |
| 1517 | Financial Assets at Fair Value Through Other Comprehensive Income, Non - Current | 4, 6.3 | 2,614,504 | 27 | 1,894,099 | 22 |
| 1535 | Financial Assets Measured at Amortized Cost, Non - Current | 4, 6.4, 8 | - | - | 34,178 | - |
| 1550 | Investments Accounted for Using the Equity Method | 4, 6.8 | 151,740 | 2 | 157,636 | 2 |
| 1600 | Property, Plant and Equipment | 4, 6.9, 8 | 1,374,005 | 14 | 1,311,126 | 15 |
| 1755 | Right-of-use Asset | 4, 6.16 | 5,640 | - | 11,986 | - |
| 1760 | Investment Property, Net | 4, 6.10, 8 | 94,929 | 1 | 111,157 | 1 |
| 1840 | Deferred Income Tax Assets | 4, 6.20 | 7,099 | - | 10,496 | - |
| 1920 | Refundable Deposits | 7 | 159,757 | 2 | 198,085 | 2 |
| 1975 | Defined Benefit Pension Asset | 4,6.12 | 4,785 | - | - | - |
| 1990 | Other Non - Current Assets | | 776 | - | 883 | - |
| 15xx | Total Non - Current Assets | | <u>4,413,235</u> | <u>46</u> | <u>3,729,646</u> | <u>42</u> |
| 1xxx | Total Assets | | <u>\$9,684,742</u> | <u>100</u> | <u>\$8,662,849</u> | <u>100</u> |

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

English Translation of Financial Statements Originally Issued in Chinese

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

Consolidated Balance Sheets (continued)

As at December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

| Liabilities and Equity | | | December 31, 2025 | | December 31, 2024 | |
|------------------------|---|---------|--------------------|------------|--------------------|------------|
| Code | Items | Notes | Amount | % | Amount | % |
| | Current Liabilities | | | | | |
| 2130 | Contract Liabilities, Current | 4, 6.14 | \$200,342 | 2 | \$163,187 | 2 |
| 2150 | Notes Payable | | 69,239 | 1 | 6,769 | - |
| 2160 | Notes Payable - Related Parties | 7 | 327 | - | 19,006 | - |
| 2170 | Accounts Payable | | 356,465 | 3 | 334,355 | 4 |
| 2180 | Accounts Payable - Related Parties | 7 | 33,126 | - | 14,698 | - |
| 2200 | Other Payables | | 268,928 | 3 | 231,242 | 3 |
| 2230 | Current Tax Liabilities | 4 | 101,387 | 1 | 125,559 | 1 |
| 2280 | Lease Liabilities, Current | 4, 6.16 | 5,395 | - | 6,984 | - |
| 2399 | Other Current Liabilities | | 999 | - | 1,031 | - |
| 21xx | Total Current Liabilities | | <u>1,036,208</u> | <u>10</u> | <u>902,831</u> | <u>10</u> |
| | Non - Current Liabilities | | | | | |
| 2550 | Provisions, Non - Current | 4, 6.11 | 100,000 | 1 | 100,000 | 1 |
| 2570 | Deferred Tax Liabilities | 4, 6.20 | 63,463 | 1 | 51,178 | 1 |
| 2580 | Lease Liabilities, Non - Current | 4, 6.16 | 315 | - | 5,038 | - |
| 2640 | Defined Benefit Pension Liability | 4, 6.12 | - | - | 2,120 | - |
| 2645 | Deposits Received | | 1,722 | - | 1,606 | - |
| 25xx | Total Non - Current Liabilities | | <u>165,500</u> | <u>2</u> | <u>159,942</u> | <u>2</u> |
| 2xxx | Total Liabilities | | <u>1,201,708</u> | <u>12</u> | <u>1,062,773</u> | <u>12</u> |
| | Equity | 4, 6.13 | | | | |
| 31xx | Equity | 4, 6.13 | | | | |
| 3110 | Common Stock | | 3,160,801 | 33 | 3,160,801 | 37 |
| 3200 | Capital Surplus | | 200,074 | 2 | 191,704 | 2 |
| 3300 | Retained Earnings | | | | | |
| 3310 | Legal Reserve | | 1,249,372 | 13 | 1,167,221 | 13 |
| 3320 | Special Reserve | | 103,909 | 1 | - | - |
| 3350 | Unappropriated Earnings | | 3,354,645 | 35 | 3,181,860 | 37 |
| | Total Retained Earnings | | <u>4,707,926</u> | <u>49</u> | <u>4,349,081</u> | <u>50</u> |
| 3400 | Other Equity | | | | | |
| 3410 | Exchange Differences on Translation of Foreign Operations | | (279,139) | (3) | (318,813) | (4) |
| 3420 | Unrealized Gains or Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income | | 658,598 | 7 | 214,904 | 3 |
| 3460 | Property Revaluation Surplus | | 33,425 | - | - | - |
| | Total Other Equity | | <u>412,884</u> | <u>4</u> | <u>(103,909)</u> | <u>(1)</u> |
| | Total Equity Attributable to Owners of the Parent Company | | <u>8,481,685</u> | <u>88</u> | <u>7,597,677</u> | <u>88</u> |
| 36xx | Non - Controlling Interest | | 1,349 | - | 2,399 | - |
| 3xxx | Total Equity | | <u>8,483,034</u> | <u>88</u> | <u>7,600,076</u> | <u>88</u> |
| | Total Liabilities and Equity | | <u>\$9,684,742</u> | <u>100</u> | <u>\$8,662,849</u> | <u>100</u> |

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

English Translation of Financial Statements Originally Issued in Chinese

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

| Code | Items | Notes | 2025 | | 2024 | |
|------|--|--------------------|-------------|------|-------------|------|
| | | | Amount | % | Amount | % |
| 4000 | Operating Revenue | 4, 6.14, 7 | \$7,550,460 | 100 | \$6,583,904 | 100 |
| 5000 | Operating Costs | 6.7, 6.12, 6.17, 7 | (6,426,227) | (85) | (5,541,050) | (84) |
| 5900 | Gross Margin | | 1,124,233 | 15 | 1,042,854 | 16 |
| 6000 | Operating Expenses | 6.12, 6.17, 7 | (244,151) | (3) | (244,521) | (4) |
| 6450 | Expected Credit Impairment (Losses) Gains | 4, 6.15 | (332) | - | 1,830 | - |
| | Total Operating Expenses | | (244,483) | (3) | (242,691) | (4) |
| 6900 | Operating Income (Loss) | | 879,750 | 12 | 800,163 | 12 |
| 7000 | Non-operating Income and Expenses | 6.18 | | | | |
| 7100 | Interest Income | | 12,547 | - | 17,084 | - |
| 7010 | Other Income | 7 | 137,590 | 2 | 100,815 | 2 |
| 7020 | Other Gains and Losses | | 28,453 | - | 9,641 | - |
| 7050 | Finance Cost | | (2,055) | - | (1,737) | - |
| 7060 | Share of Profit or Loss of Subsidiaries, Associates and Joint Ventures Accounted for Using the Equity Method | 4, 6.8 | (2,150) | - | 18,937 | 2 |
| | Total Non-operating Income and Expenses | | 174,385 | 2 | 144,740 | 2 |
| 7900 | Income (Loss) Before Income Tax | | 1,054,135 | 14 | 944,903 | 14 |
| 7950 | Income Tax (Expense) Benefits | 4, 6.20 | (179,935) | (2) | (191,676) | (3) |
| 8200 | Net Income (Loss) | | 874,200 | 12 | 753,227 | 11 |
| 8300 | Other Comprehensive Income (Loss) | 6.19 | | | | |
| 8310 | Items that will not be Reclassified Subsequently to Profit or Loss | | | | | |
| 8311 | Remeasurements of Defined Benefit Plans | 6.12 | 5,330 | - | 3,850 | - |
| 8312 | Property Revaluation Surplus | | 33,425 | - | - | - |
| 8316 | Unrealized Gains (Losses) from Equity Instruments Investments Measured at Fair Value Through Other Comprehensive Income | | 608,538 | 8 | (96,641) | (1) |
| 8349 | Income Tax Related to Items that will not be Reclassified Subsequently | 6.20 | (22,715) | - | (8,062) | - |
| 8360 | Items that may be Reclassified Subsequently to Profit or Loss | | | | | |
| 8361 | Foreign Operating Agency Financial Statement Exchange Difference | | (7,205) | - | 10,871 | - |
| 8370 | Share of Other Comprehensive Income(Loss) of Affiliated Companies and Joint Ventures Recognized Using the Equity Method-items that may be Reclassified to Profit or Loss | 4, 6.8 | 46,879 | 1 | 16,170 | - |
| | Other Comprehensive Income (Loss) | | 664,252 | 9 | (73,812) | (1) |
| 8500 | Total Comprehensive Income (Loss) | | \$1,538,452 | 21 | \$679,415 | 10 |
| 8600 | Net Profit Attributable To: | | | | | |
| 8610 | Attributable to the owner of the parent company | | \$875,154 | 12 | \$753,117 | 11 |
| 8620 | Non-controlling Interest | | (954) | - | 110 | - |
| | | | \$874,200 | 12 | \$753,227 | 11 |
| 8700 | Total Comprehensive Income (Loss) Attributable To: | | | | | |
| 8710 | Attributable to the owner of the parent company | | \$1,539,406 | 20 | \$679,306 | 10 |
| 8720 | Non-controlling Interest | | (954) | - | 109 | - |
| | | | \$1,538,452 | 20 | \$679,415 | 10 |
| | Earnings Per Share (NTD) | 6.21 | | | | |
| 9750 | Earnings Per Share - Basic | | \$2.77 | | \$2.38 | |
| 9850 | Earnings Per Share - Diluted | | \$2.75 | | \$2.37 | |

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

English Translation of Financial Statements Originally Issued in Chinese
HONG TAI ELECTRIC INDUSTRIAL CO., LTD.
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

| Code | Items | Equity attributable to owners of the parent company | | | | | | | | | | Non-Controlling Interest | Total Equity |
|------|--|---|-----------------|-------------------|-----------------|-------------------------|--|--|------------------------------|---|---------|--------------------------|--------------|
| | | Common Stock | Capital Surplus | Retained Earnings | | | Other Components of Equity | | | Equity Attributable to Owners of the Parent Company Total | | | |
| | | | | Legal Reserve | Special Reserve | Unappropriated Earnings | Exchange Difference on Translation of Foreign Operations | Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income | Property Revaluation Surplus | | | | |
| | | 3100 | 3200 | 3310 | 3320 | 3350 | 3410 | 3420 | 3460 | 31XX | 36XX | 3XXX | |
| A1 | Balance as at January 1, 2024 | \$3,160,801 | \$191,704 | \$1,096,954 | \$179,492 | \$2,883,290 | \$(345,854) | \$384,147 | \$- | \$7,550,534 | \$2,434 | \$7,552,968 | |
| | Appropriation and Distribution of the Earnings for the year 2023 | | | | | | | | | | | | |
| B1 | Legal Reserve | - | - | 70,267 | - | (70,267) | - | - | - | - | - | - | |
| B5 | Cash Dividends | - | - | - | - | (632,160) | - | - | - | (632,160) | - | (632,160) | |
| B17 | Reversal of Special Surplus Reserve | - | - | - | (179,492) | 179,492 | - | - | - | - | - | - | |
| D1 | Net Income (Loss) in 2024 | - | - | - | - | 753,117 | - | - | - | 753,117 | 110 | 753,227 | |
| D3 | Other Comprehensive Income (Loss) in 2024 | - | - | - | - | 3,080 | 27,041 | (103,932) | - | (73,811) | (1) | (73,812) | |
| D5 | Total Comprehensive Income (Loss) in 2024 | - | - | - | - | 756,197 | 27,041 | (103,932) | - | 679,306 | 109 | 679,415 | |
| M7 | Changes in Ownership Interests in Subsidiaries | - | - | - | - | (3) | - | - | - | (3) | (61) | (64) | |
| O1 | Increase (Decrease) in Non-controlling Interests | - | - | - | - | - | - | - | - | - | (83) | (83) | |
| Q1 | Disposal of Equity Instruments Investments Measured at Fair Value Through Other Comprehensive Income | - | - | - | - | 65,311 | - | (65,311) | - | - | - | - | |
| Z1 | Balance as at December 31, 2024 | \$3,160,801 | \$191,704 | \$1,167,221 | \$- | \$3,181,860 | \$(318,813) | \$214,904 | \$- | \$7,597,677 | \$2,399 | \$7,600,076 | |
| A1 | Balance as at January 1, 2025 | \$3,160,801 | \$191,704 | \$1,167,221 | \$- | \$3,181,860 | \$(318,813) | \$214,904 | \$- | \$7,597,677 | \$2,399 | \$7,600,076 | |
| | Appropriation and Distribution of the Earnings for the year 2024 | | | | | | | | | | | | |
| B1 | Legal Reserve | - | - | 82,151 | - | (82,151) | - | - | - | - | - | - | |
| B3 | Special Reserve | - | - | - | 103,909 | (103,909) | - | - | - | - | - | - | |
| B5 | Cash Dividends | - | - | - | - | (663,768) | - | - | - | (663,768) | - | (663,768) | |
| C7 | Changes in Equity of Associates accounted for using the Equity method | - | 8,370 | - | - | - | - | - | - | 8,370 | - | 8,370 | |
| D1 | Net Income (Loss) in 2025 | - | - | - | - | 875,154 | - | - | - | 875,154 | (954) | 874,200 | |
| D3 | Other Comprehensive Income (Loss) in 2025 | - | - | - | - | 4,264 | 39,674 | 586,889 | 33,425 | 664,252 | - | 664,252 | |
| D5 | Total Comprehensive Income (Loss) in 2025 | - | - | - | - | 879,418 | 39,674 | 586,889 | 33,425 | 1,539,406 | (954) | 1,538,452 | |
| O1 | Increase (Decrease) in Non-controlling Interests | - | - | - | - | - | - | - | - | - | (96) | (96) | |
| Q1 | Disposal of Equity Instruments Investments Measured at Fair Value Through Other Comprehensive Income | - | - | - | - | 143,195 | - | (143,195) | - | - | - | - | |
| Z1 | Balance as at December 31, 2025 | \$3,160,801 | \$200,074 | \$1,249,372 | \$103,909 | \$3,354,645 | \$(279,139) | \$658,598 | \$33,425 | \$8,481,685 | \$1,349 | \$8,483,034 | |

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

English Translation of Financial Statements Originally Issued in Chinese

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

| Code | Items | 2025 | 2024 |
|--------|--|--------------------|--------------------|
| | | Amounts | Amounts |
| AAAA | Cash Flows From Operating Activities | | |
| A10000 | Income Before Income Tax | \$1,054,135 | \$944,903 |
| A20000 | Adjustments to Reconcile Income Before Income Tax to Net Cash Provided By Operating Activities: | | |
| A20100 | Depreciation expense | 87,598 | 78,957 |
| A20200 | Amortization expense | 371 | 323 |
| A20300 | Expected Credit Impairment (Gains) Losses | 332 | (1,830) |
| A20900 | Interest Expense | 2,055 | 1,737 |
| A21200 | Interest Income | (12,548) | (17,084) |
| A21300 | Dividend Income | (111,513) | (78,311) |
| A22300 | Share of Profit or Loss of Subsidiaries, Associates and Joint Ventures for Using the Equity Method | 2,150 | (18,937) |
| A22500 | (Gain) Loss on Disposal of Property, Plant and Equipment | (3,406) | (4,018) |
| A22700 | (Gain) Loss on Disposal of Investment Property | - | (4,253) |
| A23100 | (Gain) Loss on Disposal of Investments | - | (439) |
| A23700 | Impairment Loss on Non-financial Assets | 52,076 | - |
| A23800 | Reversal of Impairment Loss Recognised in Profit or Loss, Non-financial Assets | (185) | (144) |
| A30000 | Changes in Operating Assets and Liabilities | | |
| A31115 | (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss | (14,502) | (17,477) |
| A31130 | (Increase) Decrease in Notes Receivable | 5,853 | (1,859) |
| A31150 | (Increase) Decrease in Accounts Receivable | 735,269 | (206,483) |
| A31180 | (Increase) Decrease in Other Receivables | (22,228) | (511) |
| A31200 | (Increase) Decrease in Inventories | (361,434) | (644,950) |
| A31230 | (Increase) Decrease in Prepayments | (13,378) | (26,093) |
| A31240 | (Increase) Decrease in Other Current Assets | 20 | (20) |
| A31990 | (Increase) Decrease in Other Operating Assets | 28 | - |
| A32125 | Increase (Decrease) in Contract Liabilities | 37,155 | 54,354 |
| A32130 | Increase (Decrease) in Notes Payable | 62,470 | 910 |
| A32140 | Increase (Decrease) in Notes Payable- Related Parties | (18,679) | 19,006 |
| A32150 | Increase (Decrease) in Accounts Payable | 22,110 | (34,803) |
| A32160 | Increase (Decrease) in Accounts Payable - Related Parties | 18,428 | (11,722) |
| A32180 | Increase (Decrease) in Other Payables | 33,882 | 15,964 |
| A32230 | Increase (Decrease) in Other Current Liabilities | (32) | (70) |
| A32240 | Increase (Decrease) in Defined Benefit Pension Liability | (1,575) | (2,491) |
| A33000 | Cash Generated (Outflow) From Operations | <u>1,554,452</u> | <u>44,659</u> |
| A33100 | Interest Received | 11,251 | 15,211 |
| A33200 | Dividend Received | 9,428 | 10,753 |
| A33500 | Income Tax Paid | (211,141) | (116,722) |
| AAAA | Net Cash Provided by (Used in) Operating Activities | <u>1,363,990</u> | <u>(46,099)</u> |
| BBBB | Cash Flows from Investing Activities | | |
| B00010 | Acquisition of Financial Assets at Fair Value Through Comprehensive Income | (629,449) | (741,824) |
| B00020 | Proceeds from Disposal of Financial Assets at Fair Value Through Comprehensive Income | 509,940 | 298,858 |
| B00030 | Return Capital from Financial Assets at Fair Value Through Other Comprehensive Income | 1,671 | 15,704 |
| B00040 | Acquisition of Financial Assets Measured at Amortized Cost | - | (34,856) |
| B00050 | Financial assets measured at amortised cost | 1,356 | - |
| B02000 | Increase in Current Prepayments for Investments | - | (15,383) |
| B02100 | Decrease in Current Prepayments for Investments | 36,683 | - |
| B02700 | Acquisition of Property, Plant and Equipment | (92,253) | (92,453) |
| B02800 | Proceeds from Disposal of Property, Plant and Equipment | 5,754 | 9,316 |
| B03800 | Decrease in Refundable Deposits | 38,328 | 14,661 |
| B05500 | Proceeds from Disposal of Investment Property | - | 6,031 |
| B06700 | Increase in Other Non-current Assets | (264) | (383) |
| B07600 | Dividend Received | 109,835 | 84,150 |
| BBBB | Net cash Provided by (Used in) Investing Activities | <u>(18,399)</u> | <u>(456,179)</u> |
| CCCC | Cash Flows from Financing Activities | | |
| C00200 | Decrease in Short - term Loans | - | (4,214) |
| C03000 | Increase in Deposits Received | 116 | 9 |
| C04020 | Cash Payments for the Principal Portion of the Lease Liability | (7,120) | (6,063) |
| C04500 | Payment of Cash Dividends | (663,768) | (632,160) |
| C05400 | Acquisition of Ownership Interests in Subsidiaries | - | (64) |
| C05600 | Interest Paid | (1,859) | (1,632) |
| C05800 | Changes in non-controlling interests | (96) | (83) |
| CCCC | Net cash Provided by (Used in) Financing Activities | <u>(672,727)</u> | <u>(644,207)</u> |
| DDDD | The Impact of Exchange Rate Changes on Cash and Cash Equivalents | <u>(3,651)</u> | <u>(1,474)</u> |
| EEEE | Net Increase (Decrease) in Cash and Cash equivalents | <u>669,213</u> | <u>(1,147,959)</u> |
| E00100 | Cash and Cash equivalents, Beginning of the Year | 781,120 | 1,929,079 |
| E00200 | Cash and Cash equivalents, End of the Year | <u>\$1,450,333</u> | <u>\$781,120</u> |

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

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Hong Tai Electric Industrial Co., Ltd.
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Amounts expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. History and organization

Hong Tai Electric Industrial Co., LTD (“the Company”) was founded in August 1968. The main activities of the Company are the manufacturing, processing and sales of wires and cables, communication products and equipment and accessories. The Company’s common shares were publicly listed on the Taiwan Stock Exchange (TWSE) in February 1993. The Company’s registered office and the main business location is at No. 2, Guojian 1st Rd., Guanyin Dist., Taoyuan, Republic of China (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the company and its subsidiaries (“the Group”) for the years ended December 31, 2025 and 2024 were authorized for issue in accordance with a resolution of the Board of Directors on March 13, 2026.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have been endorsed by FSC, and not yet adopted by the Group as at the date when the Group’s financial statements were authorized for issue, are listed below.

| Items | New, Revised or Amended Standards and Interpretations | Effective Date issued by IASB |
|-------|---|-------------------------------|
| a | IFRS 17 “Insurance Contracts” | 1 January 2023 |
| b | Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 | 1 January 2026 |
| c | Annual Improvements to IFRS Accounting Standards – Volume 11 | 1 January 2026 |
| d | Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 | 1 January 2026 |

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(a) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(b) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

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(c) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(2) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(5) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(d) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify the application of the ‘own-use’ requirements.

(2) Permit hedge accounting if these contracts are used as hedging instruments.

(3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and amendments are applicable for annual periods beginning on or after 1 January 2026 and have no material impact on the Group.

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- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group’s financial statements were authorized for issue, are listed below.

| Items | New, Revised or Amended Standards and Interpretations | Effective Date issued by IASB |
|-------|--|-------------------------------|
| a | IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures | To be determined by IASB |
| b | IFRS 18 “Presentation and Disclosure in Financial Statements” | 1 January 2027 (Note) |
| c | Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19) | 1 January 2027 |
| d | Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29) | 1 January 2027 |

Note: On 25 September 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

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(b) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(c) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(d) Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

- (1) Clarify that when the entity’s functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.
- (2) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
- (3) When the entity’s functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by

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FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (b), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of material accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Financial Reporting Standards, International Accounting Standards, Interpretations issued by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the FSC ("TIFRS").

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT\$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- (a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) exposure, or rights, to variable returns from its involvement with the investee, and
- (c) the ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee
- (b) rights arising from other contractual arrangements
- (c) the Company's voting rights and potential voting rights

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The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

- (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- (b) derecognizes the carrying amount of any non-controlling interest;
- (c) recognizes the fair value of the consideration received;
- (d) recognizes the fair value of any investment retained;
- (e) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfers directly to retained earnings if required by other IFRSs; and
- (f) recognizes any resulting differences in profit or loss.

The consolidated entities are listed as follows:

| Investor | Subsidiary | Main businesses | As of | |
|---|------------------------------------|----------------------------|-------------------|-------------------|
| | | | December 31, 2025 | December 31, 2024 |
| The Company | Moneywin International Limited | Investing | 100.00% | 100.00% |
| The Company | Safety Investment Corp. | Investing | 100.00% | 100.00% |
| The Company and Safety Investment Corp. | Hong-Hong Engineer Co. Ltd. (Note) | Cable installation project | 96.00% | 96.00% |

Note: The subsidiary of the Group, Hong Hong Engineering Co., Ltd., resolved to cease operations as approved by the Board of Directors on June 3, 2025.

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(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT\$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (b) Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
- (c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following are accounted for as disposal even if an interest in the foreign operation is retained by the Group: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or loss of joint control over a foreign operation.

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On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

- (a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- (b) The Group holds the asset primarily for the purpose of trading
- (c) The Group expects to realize the asset within twelve months after the reporting period
- (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (a) The Group expects to settle the liability in its normal operating cycle
- (b) The Group holds the liability primarily for the purpose of trading
- (c) The liability is due to be settled within twelve months after the reporting period
- (d) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value as cash equivalents (including time deposits with maturing of less than 12 months).

(8) Financial instruments

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

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Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

(a) Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- A. the Group's business model for managing the financial assets and
- B. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- A. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

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Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

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Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- B. the time value of money; and
- C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

- A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

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At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(c) Derecognition of financial assets

A financial asset is derecognized when:

- A. The rights to receive cash flows from the asset have expired
- B. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- C. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(d) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

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Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

- A. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- B. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- C. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- A. it eliminates or significantly reduces a measurement or recognition inconsistency; or
- B. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

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Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

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(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Based on the actual purchase cost, using the weighted average method.

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

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(12) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the ‘share of profit or loss of an associate’ in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

- (a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- (b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(13) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

| | |
|-----------------------------------|------------|
| Buildings | 2~55 years |
| Machinery and equipment | 2~15 years |
| Office equipment | 1~8 years |
| Transportation equipment | 1~5 years |
| Miscellaneous equipment | 1~15 years |
| Right-of-use assets/leased assets | 1~11 years |

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(14) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

| | |
|-----------|-------------|
| Buildings | 30~50 years |
|-----------|-------------|

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

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The Group transfers properties to or from investment properties according to the actual use of the properties.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(15) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

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- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable by the lessee under residual value guarantees;
- (d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements of comprehensive income.

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For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(16) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

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Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (1 to 3 years).

A summary of the policies applied to the Group's intangible assets is as follows:

| | Computer software |
|----------------------------------|--|
| Useful lives | Finite |
| Amortization method used | Amortized on a straight- line basis over the estimated useful life |
| Internally generated or acquired | Acquired |

(17) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

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(18) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(19) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers (i.e. when the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from the goods). The main products of the Group are wires and cables, and revenue is recognized based on the consideration stated in the contract minus the estimated quantity discount amount. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. The Group estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

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The credit period of the Group's sale of goods is from 60 to 120 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The Group provides installation services of wires and cables. Such services are separately priced or negotiated, and provided based on contract period. As the Group provides the installation services over the contract period, the customers simultaneously receive and consume the benefits provided by the Group. The performance obligation is fulfilled at a certain point so the revenue should be recognized when the performance obligation is fulfilled.

Most of the contractual considerations of the Group are collected evenly throughout the contract period. When the Group has performed the services to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

(20) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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(21) Post-employment benefits

All regular employees of the Group and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Group and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements.

For the defined contribution plan, the Group and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Group recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- (a) the date of the plan amendment or curtailment, and
- (b) the date that the Group recognizes restructuring-related costs or termination benefits

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(22) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax at the reporting date.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

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The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

The Group calculates the income basic tax according to the Income Basic Tax Act and compares it with the income tax payable calculated under the Income Tax Act, selecting the higher amount as the provision for current income tax.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities 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. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform-Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Investment properties

Certain properties of the Group comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Group accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 5% of the total property.

(b) Operating lease commitment – Group as the lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

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(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. Changes in market prices or future cash flows will affect the recoverable amount of these assets, which may cause the Group to additionally recognize impairment losses or reverse recognized impairment losses.

(c) Accounts receivable— estimation of impairment loss

The Group estimates the impairment loss of accounts receivable at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(d) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc.

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(e) Inventories evaluation

As inventory must be measured at the lower of cost and net realizable value, the Group must use judgment and estimation to determine the net realizable value of inventory at the reporting date. Due to the influence of international copper prices and frequent fluctuations in raw material prices, the Group assesses the amount of inventory due to normal wear and tear, obsolescence or no market value at the end of the financial reporting period, and offsets the inventory cost to the net realizable value. This inventory evaluation is mainly based on the estimated product demand in a specific period in the future, so major changes may occur.

(f) Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(g) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. As of December 31, 2025, please refer to Note 6 for the Group's unrecognized deferred income tax assets.

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6. Contents of significant accounts

(1) Cash and cash equivalents

| | As of | |
|-------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Cash | \$74 | \$85 |
| Petty cash | 691 | 701 |
| Demand deposits | 485,694 | 501,688 |
| Checking deposits | 257,428 | 167,677 |
| Time deposits | 138,533 | 51,304 |
| Cash equivalents | 567,913 | 59,665 |
| Total | \$1,450,333 | \$781,120 |

Cash and cash equivalents were not pledged.

Cash and cash equivalents were short-term notes and bills.

(2) Financial assets at fair value through profit or loss

| | As of | |
|--|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Mandatorily measured at fair value through profit or loss: | | |
| Stocks | \$292,681 | \$282,931 |
| Corporate bonds | 34,734 | 23,388 |
| Government bonds | - | 6,594 |
| Total | \$327,415 | \$312,913 |
| Current | \$327,415 | \$312,913 |

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at fair value through other comprehensive income

| | As of | |
|--|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Equity instrument investments measured at fair value through other comprehensive income: | | |
| Listed companies stocks | \$1,778,689 | \$1,137,414 |
| Unlisted companies stocks | 861,016 | 778,787 |
| Total | \$2,639,705 | \$1,916,201 |
| Current | \$25,201 | \$22,102 |
| Non-Current | 2,614,504 | 1,894,099 |
| Total | \$2,639,705 | \$1,916,201 |

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- (a) Financial assets at fair value through other comprehensive income were not pledged.
- (b) The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended December 31, 2025 and 2024 were as follows:

| | For the years ended | |
|--|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Related to investments held at the end of the reporting period | \$97,211 | \$67,061 |
| Related to investments derecognized during the period | 5,101 | 435 |
| Dividends recognized during the period | <u>\$102,312</u> | <u>\$67,496</u> |

- (c) In consideration of the Group's investment strategy, the Group disposed and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the years ended December 31, 2025 and 2024 were as follows:

| | For the years ended | |
|---|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| The fair value of the investments at the date of derecognition | \$511,611 | \$293,107 |
| The cumulative gain or loss on disposal reclassified from other equity to retained earnings | 143,195 | 65,311 |

- (4) Financial assets measured at amortized cost

| | As of | |
|-----------------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Time deposits – Current | \$33,500 | \$678 |
| Time deposits – Non Current | - | 34,178 |
| Total | <u>\$33,500</u> | <u>\$34,856</u> |

The Group classified certain financial assets as financial assets measured at amortized cost. Considered to have low credit risk, the lifetime expected credit loss is not material. Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge and Note 12 for details on credit risk.

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(5) Notes receivables

| | As of | |
|--|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Notes receivable arising from operating activities | \$36,786 | \$42,639 |
| Notes receivable arising from non-operating activities | - | - |
| Subtotal (Total book value) | 36,786 | 42,639 |
| Less: loss allowance | - | - |
| Total | <u>\$36,786</u> | <u>\$42,639</u> |

(a) Notes receivables were not pledged.

(b) The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6.15 for more details on loss allowance and Note 12 for details on credit risk.

(6) Accounts receivable and accounts receivable - related parties

| | As of | |
|----------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Accounts receivable | \$538,478 | \$1,273,747 |
| Less: loss allowance | (3,163) | (2,831) |
| Total | <u>\$535,315</u> | <u>\$1,270,916</u> |

(a) Accounts receivables were not pledged.

(b) Accounts receivables are generally on 60-120 day terms. The total carrying amount as of December 31, 2025, and 2024 are NT\$538,478 thousand and NT\$1,273,747 thousand, respectively. Please refer to Note 6.15 for more details on loss allowance of accounts receivable for the years ended December 31, 2025 and 2024. Please refer to Note 12 for more details on credit risk management.

(7) Inventories

| | As of | |
|-------------------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Merchandise | \$164,070 | \$132,869 |
| Finished goods | 1,933,928 | 1,509,482 |
| Work in progress | 417,611 | 484,466 |
| Raw materials | 153,782 | 197,780 |
| Supplies & parts | 32,439 | 49,702 |
| Inventories in transit | 38,446 | - |
| Material used in construction | - | 4,543 |
| Total | <u>\$2,740,276</u> | <u>\$2,378,842</u> |

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(a) The following table lists the cost of inventories recognized in expenses of the Group:

| | For the years ended | |
|---|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Cost of goods sold | \$6,440,906 | \$5,538,778 |
| (Reversal) loss from the inventory written down to its respective net realizable value | (14,679) | 2,272 |
| Total operating cost | <u>\$6,426,227</u> | <u>\$5,541,050</u> |

The Group recognized a gain from price recovery of inventory in the amount of NT\$14,679 thousand due to inventory destocking for the year ended December 31, 2025.

(b) No inventories were pledged.

(8) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Group:

| Investees | As of | | | |
|-----------------------------------|-------------------|--------------------------------|-------------------|--------------------------------|
| | December 31, 2025 | | December 31, 2024 | |
| | NTD | Percentage of ownership (%) | NTD | Percentage of ownership (%) |
| <u>Investments in associates:</u> | | | | |
| South Ocean Holdings Ltd. | \$373,319 | 30.74 | \$328,120 | 30.74 |
| Accumulated impairment | <u>(221,579)</u> | | <u>(170,484)</u> | |
| Total | <u>\$151,740</u> | | <u>\$157,636</u> | |

(a) Information on the material associate of the Group:

Company name: South Ocean Holdings Ltd.

Judgment with only significant influence: Although the group holds 30.74% of the voting rights of the company, and the other two investors hold 30.56% and 20.19% of the voting rights of the company, only the cooperation of these two investors could prevent the Group from leading the company's vital activities. Therefore, the Group has no control over the company and only has a significant influence.

Nature of the relationship with the associate: South Ocean Holdings Ltd. is in the business of manufacturing and selling related products in the Group's industry chain. The Group invested in South Ocean Holdings Ltd. for the purpose of upstream/downstream integration.

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Principal place of business (country of incorporation): Republic of South Africa

Fair value of the investment in the associate when there is a quoted market price for the investment: South Ocean Holdings Ltd. is a listed entity on the South African Stock Exchange. The fair value of the company's investment was NT\$146,458 thousand and NT\$215,444 thousand as of December 31, 2025 and 2024, respectively.

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Group's interest in the associate:

| | As of | |
|---|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Current assets | \$2,002,791 | \$1,540,187 |
| Non-current assets | 682,114 | 513,323 |
| Current liabilities | 1,127,941 | 605,225 |
| Non-current liabilities | 342,525 | 380,881 |
| Equity | 1,214,439 | 1,067,404 |
| Proportion of the Group's ownership | 30.74% | 30.74% |
| Carrying amount of the investment | <u>\$373,319</u> | <u>\$328,120</u> |
| | For the years ended | |
| | December 31, 2025 | December 31, 2024 |
| Operating revenue | <u>\$4,554,155</u> | <u>\$4,391,246</u> |
| Profit or loss from continuing operations | \$(27,806) | \$58,320 |
| Other comprehensive income | - | - |
| Total comprehensive income | <u>\$(27,806)</u> | <u>\$58,320</u> |

- (b) The associate had no contingent liabilities or capital commitments as of December 31, 2025 and 2024.
- (c) The share of the profit or loss of these associates accounted for using the equity method amounted to NT\$(2,150) thousand and NT\$18,937 thousand for the years ended December 31, 2025 and 2024, respectively. The share of other comprehensive income (loss) of these associates accounted for using the equity method amounted to NT\$46,879 thousand and NT\$16,170 thousand for the years ended December 31, 2025 and 2024, respectively.

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(9) Property, plant and equipment

| | Land and land | | Machinery and | Office | Transportation | Miscellaneous | Construction in | Total |
|--|---------------|-----------|---------------|-----------|----------------|---------------|--|-------------|
| | Improvements | Buildings | equipment | equipment | equipment | equipment | progress and equipment awaiting examination | |
| Cost: | | | | | | | | |
| As of Jan 1, 2024 | \$455,871 | \$868,329 | \$726,220 | \$22,199 | \$13,496 | \$353,109 | \$29,650 | \$2,468,874 |
| Additions | - | - | - | - | - | - | 93,380 | 93,380 |
| Disposals | (2,533) | (2,875) | (945) | - | - | (4,855) | - | (11,208) |
| Other changes | - | 2,521 | 19,470 | - | 540 | 16,703 | (39,234) | - |
| As of Dec 31, 2024 | 453,338 | 867,975 | 744,745 | 22,199 | 14,036 | 364,957 | 83,796 | 2,551,046 |
| Additions | - | - | - | - | - | - | 96,057 | 96,057 |
| Disposals | (1,639) | (1,034) | (1,301) | (127) | - | (1,319) | - | (5,420) |
| Other changes | 13,960 | 38,507 | 59,460 | - | - | 5,877 | (68,462) | 49,342 |
| As of Dec 31, 2025 | \$465,659 | \$905,448 | \$802,904 | \$22,072 | \$14,036 | \$369,515 | \$111,391 | \$2,691,025 |
| Accumulated Depreciation and impairment: | | | | | | | | |
| As of Jan 1, 2024 | \$- | \$375,768 | \$525,345 | \$20,773 | \$7,924 | \$243,987 | \$- | \$1,173,797 |
| Depreciation | - | 24,188 | 35,177 | 385 | 1,378 | 11,049 | - | 72,177 |
| Disposals | - | (962) | (945) | - | - | (4,003) | - | (5,910) |
| Other changes | - | - | (144) | - | - | - | - | (144) |
| As of Dec 31, 2024 | - | 398,994 | 559,433 | 21,158 | 9,302 | 251,033 | - | 1,239,920 |
| Depreciation | - | 26,393 | 40,456 | 322 | 1,425 | 11,274 | - | 79,870 |
| Disposals | - | (367) | (1,279) | (126) | - | (1,300) | - | (3,072) |
| Other changes | - | 487 | (185) | - | - | - | - | 302 |
| As of Dec 31, 2025 | \$- | \$425,507 | \$598,425 | \$21,354 | \$10,727 | \$261,007 | \$- | \$1,317,020 |
| Net carrying amount as of: | | | | | | | | |
| Dec 31, 2024 | \$453,338 | \$468,981 | \$185,312 | \$1,041 | \$4,734 | \$113,924 | \$83,796 | \$1,311,126 |
| Dec 31, 2025 | \$465,659 | \$479,941 | \$204,479 | \$718 | \$3,309 | \$108,508 | \$111,391 | \$1,374,005 |

- (a) There is no capitalized borrowing costs of the Group's property, plant and equipment.
- (b) Components of building that have different useful lives are main building structure, decoration engineering, mechanical and electrical engineering and roof-repairing engineering, which are depreciated over 40~55 years, 7 years, 5 years and 2 years, respectively.
- (c) Please refer to Note 8 for more details on property, plant and equipment under pledge.

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(10) Investment property

| | <u>Land</u> | <u>Buildings</u> | <u>Total</u> |
|--|------------------------|----------------------------|-------------------------|
| Cost: | | | |
| As of Jan 1, 2024 | \$105,133 | \$34,759 | \$139,892 |
| Disposals | (1,013) | (1,150) | (2,163) |
| As of Dec 31, 2024 | <u>104,120</u> | <u>33,609</u> | <u>137,729</u> |
| Disposals | - | - | - |
| Other changes | (13,960) | (1,985) | (15,945) |
| As of Dec 31, 2025 | <u><u>\$90,160</u></u> | <u><u>\$31,624</u></u> | <u><u>\$121,784</u></u> |
| Depreciation and impairment: | | | |
| As of Jan 1, 2024 | \$- | \$26,139 | \$26,139 |
| Depreciation | - | 818 | 818 |
| Disposals | - | (385) | (385) |
| As of Dec 31, 2024 | <u>-</u> | <u>26,572</u> | <u>26,572</u> |
| Depreciation | - | 770 | 770 |
| Disposals | - | - | - |
| Other changes | - | (487) | (487) |
| As of Dec 31, 2025 | <u><u>\$-</u></u> | <u><u>\$26,855</u></u> | <u><u>\$26,855</u></u> |
| Net carrying amount as of: | | | |
| Dec 31, 2024 | <u>\$104,120</u> | <u>\$7,037</u> | <u>\$111,157</u> |
| Dec 31, 2025 | <u><u>\$90,160</u></u> | <u><u>\$4,769</u></u> | <u><u>\$94,929</u></u> |
| | | <u>For the years ended</u> | |
| | | <u>December 31,</u> | <u>December 31,</u> |
| | | <u>2025</u> | <u>2024</u> |
| Rental income from investment property | | \$4,486 | \$4,693 |
| Less: | | | |
| Direct operating expenses from investment property generating rental income | | <u>(859)</u> | <u>(1,041)</u> |
| Total | | <u><u>\$3,627</u></u> | <u><u>\$3,652</u></u> |

Please refer to Note 8 for more details on Investment property under pledge.

Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties was NT\$361,816 thousand and NT\$419,518 thousand as of December 31, 2025 and 2024, respectively. The fair value has been determined based on valuations performed by Group management, not by an independent valuer. The valuation method used is refer to the market evaluation of similar item transaction prices in neighboring areas.

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(11) Provisions

| | Warranties | |
|------------------------------|----------------------|----------------------|
| | For the years ended | |
| | December 31, 2025 | December 31, 2024 |
| At the beginning of the year | \$100,000 | \$100,000 |
| Additions | - | - |
| Changes of current period | - | - |
| At the end of the year | \$100,000 | \$100,000 |
| Non-current | \$100,000 | \$100,000 |

Warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(12) Post-employment benefits

Defined contribution plan

The defined contribution plan of the Group's Employee Retirement Plan is regulated according to the provisions of the Labor Pension Act. In accordance with the Act, contributions made by the employer cannot be lower than 6% of the participant's monthly wages. Therefore, the Group's make 6% contribution of the monthly wages to the Labor Pension personal account of the Bureau of the Labor Insurance on a regular basis.

Expenses under the defined contribution plan for the years ended December 31, 2025 and 2024 were NT\$8,297 thousand and NT\$7,880 thousand, respectively.

Defined benefits plan

The Group adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Group contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Group assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Group will make up the difference in one appropriation before the end of March the following year.

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The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Group does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT\$968 thousand to its defined benefit plan during the 12 months beginning after December 31, 2025.

As of December 31, 2025 and 2024, the defined benefit plan of the Group was expected to be expired in March 2047.

Pension costs recognized in profit or loss for the years ended December 31, 2024 and 2023:

| | For the years ended | |
|------------------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Current period service costs | \$1,036 | \$825 |
| Interest income or expense | (65) | (3) |
| Total | <u>\$971</u> | <u>\$822</u> |

Reconciliation in the defined benefit obligation and fair value of plan assets are as follows:

| | As of | | |
|--|----------------------|----------------------|--------------------|
| | December 31, 2025 | December 31, 2024 | January 1, 2024 |
| Defined benefit obligation | \$61,432 | \$68,280 | \$68,962 |
| Plan assets at fair value | <u>(66,217)</u> | <u>(66,160)</u> | <u>(60,501)</u> |
| Accrued pension liabilities (assets) recognized on the balance sheets | <u>\$(4,785)</u> | <u>\$2,120</u> | <u>\$8,461</u> |

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Reconciliation of liability (asset) of the defined benefit plan is as follows:

| | Present Value of Defined Benefit Obligation | Fair Value of Plan Assets | Benefit Liability (Asset) |
|--|--|------------------------------|---------------------------------|
| As of January 1, 2024 | \$68,962 | \$(60,501) | \$8,461 |
| Net defined benefit costs: | | | |
| Current period service costs | 825 | - | 825 |
| Net interest expense (income) | 813 | (816) | (3) |
| Subtotal | <u>1,638</u> | <u>(816)</u> | <u>822</u> |
| Remeasurements of the net defined benefit liability (asset): | | | |
| Actuarial gains and losses arising from changes in demographic assumptions | - | - | - |
| Actuarial gains and losses arising from changes in financial assumptions | (1,212) | - | (1,212) |
| Experience adjustments | 4,158 | - | 4,158 |
| Remeasurements of plan assets | - | (6,795) | (6,795) |
| Subtotal | <u>2,946</u> | <u>(6,795)</u> | <u>(3,849)</u> |
| Payments from the plan | (5,266) | 2,901 | (2,365) |
| Contributions by employer | - | (949) | (949) |
| As of December 31, 2024 | <u>68,280</u> | <u>(66,160)</u> | <u>2,120</u> |
| Net defined benefit costs: | | | |
| Current period service costs | 1,036 | - | 1,036 |
| Net interest expense (income) | 1,019 | (1,084) | (65) |
| Subtotal | <u>2,055</u> | <u>(1,084)</u> | <u>971</u> |
| Remeasurements of the net defined benefit liability (asset): | | | |
| Actuarial gains and losses arising from changes in demographic assumptions | - | - | - |
| Actuarial gains and losses arising from changes in financial assumptions | 723 | - | 723 |
| Experience adjustments | (1,379) | - | (1,379) |
| Remeasurements of plan assets | - | (4,674) | (4,674) |
| Subtotal | <u>(656)</u> | <u>(4,674)</u> | <u>(5,330)</u> |
| Payments from the plan | (8,247) | 6,660 | (1,587) |
| Contributions by employer | - | (959) | (959) |
| As of December 31, 2025 | <u>\$61,432</u> | <u>\$(66,217)</u> | <u>\$ (4,785)</u> |

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

| | As of | |
|-----------------------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Discount rate | 1.30% | 1.49% |
| Expected rate of salary increases | 1.00% | 1.00% |

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A sensitivity analysis for significant assumption is as shown below:

| | For the years ended | | | |
|---------------------------------|---|---|---|---|
| | December 31, 2025 | | December 31, 2024 | |
| | Increase defined benefit obligation | Decrease defined benefit obligation | Increase defined benefit obligation | Decrease defined benefit obligation |
| Discount rate increase by 0.25% | \$- | \$836 | \$- | \$937 |
| Discount rate decrease by 0.25% | 859 | - | 963 | - |
| Future salary increase by 0.5% | 1,712 | - | 1,922 | - |
| Future salary decrease by 0.5% | - | 1,638 | - | 1,839 |

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(13) Equities

(a) Common stock

The Company's authorized capital was NT\$3,980,000 thousand and NT\$3,160,801 thousand was issued as of December 31, 2025 and 2024, each at a par value of NT\$10, divided into 316,080 thousand shares.

(b) Capital surplus

| | As of | |
|---|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Additional paid-in capital | \$165,601 | \$165,601 |
| Treasury share transactions | 24,200 | 24,200 |
| Donated assets received | 1,903 | 1,903 |
| Share of changes in net assets of associates and joint ventures accounted for using the equity method | 8,370 | - |
| Total | \$200,074 | \$191,704 |

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

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(c) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- A. Payment of all taxes and dues;
- B. Offset prior years' operation losses;
- C. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
- D. Set aside or reverse special reserve in accordance with law and regulations; and
- E. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

Considered the Company's coming capital need and the long-term financial planning, as well as the shareholder's interest, the principle of the dividend policy is 20% of the distributable earnings of the year at minimum and cash dividend should be at least 10% of the total dividends. However, if a significant non-recurring income occur in the year, a whole or portion of that income may be retained from the distribution, and is not applicable to the restriction above mentioned.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The distribution of earnings for 2025 regarding cash dividends and other earnings distribution items was resolved and proposed by the Board of Directors' meeting held on March 13, 2026, while the distribution of earnings for 2024 regarding cash dividends and other earnings distribution items was resolved by the Board of Directors' meeting on March 21, 2025 and the stockholders' meeting on June 18, 2025, respectively. The details of distribution are as follows:

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| | <u>Appropriation of earnings</u> | | <u>Dividend per share (NT\$)</u> | |
|--|----------------------------------|-------------------------|----------------------------------|-------------|
| | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> |
| Legal reserve | \$102,261 | \$82,151 | | |
| Special reserve (reversal) appropriated | (103,909) | 103,909 | | |
| Common stock - cash dividend | <u>790,200</u> | <u>663,768</u> | \$2.5 | \$2.1 |
| Total | <u><u>\$788,552</u></u> | <u><u>\$849,828</u></u> | | |

Please refer to Note 6.17 for details on employees' compensation and remuneration to directors and supervisors.

(d) Non-controlling interests

| | <u>Non-controlling interests</u> |
|--|--------------------------------------|
| As at January 1, 2025 | \$2,399 |
| Income attributable to non-controlling interests | (954) |
| Issuance of cash dividends by the subsidiary | <u>(96)</u> |
| As at December 31, 2025 | <u><u>\$1,349</u></u> |
| As at January 1, 2024 | \$2,434 |
| Income attributable to non-controlling interests | 110 |
| Other comprehensive income, attributable to non-controlling interests, net of tax: | |
| Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income | (1) |
| Acquisition of equity interests in the subsidiary | (61) |
| Issuance of cash dividends by the subsidiary | <u>(83)</u> |
| As at December 31, 2024 | <u><u>\$2,399</u></u> |

(14) Operating revenue

| | <u>For the years ended</u> | |
|-----------------|------------------------------|------------------------------|
| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
| Sale of goods | \$7,550,460 | \$6,583,904 |
| Service revenue | - | - |
| Total | <u><u>\$7,550,460</u></u> | <u><u>\$6,583,904</u></u> |

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(a) Contract balances

Contract liabilities - current

| | For the years ended | |
|---------------------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Sales of goods | | |
| As at the beginning of the year | \$163,187 | \$108,833 |
| As at the end of the year | 200,342 | 163,187 |
| Difference | <u>\$37,155</u> | <u>\$54,354</u> |

The significant changes in the Group's balances of contract liabilities for the years ended December 31, 2025 and 2024 are as follows:

| | For the years ended | |
|--|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| The opening balance transferred to revenue | \$36,302 | \$91,953 |
| Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period) | 73,457 | 146,307 |

(b) Transaction price allocated to unsatisfied performance obligations

The Group's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to NT\$ 2,358,714 thousand as of December 31, 2025. Management expects that 56% of the transaction price allocated to unsatisfied performance obligations will be recognized as revenue by December 31, 2026. The remaining will be recognized during 2027.

The Group's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to NT\$ 5,198,387 thousand as of December 31, 2024. Management expects that 67% of the transaction price allocated to unsatisfied performance obligations will be recognized as revenue by December 31, 2025. The remaining will be recognized during 2026.

(c) Assets recognized from costs to fulfil a contract

None.

(15) Expected credit losses/(gains)

| | For the years ended | |
|---|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Operating expenses – Expected credit losses/(gains) Accounts receivables | <u>\$332</u> | <u>\$(1,830)</u> |

Please refer to Note 12 for more details on credit risk.

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The Group measures the loss allowance of its accounts receivables (including note receivables and accounts receivables) at an amount equal to lifetime expected credit losses.

The assessment of the Group's loss allowance for the years ended December 31, 2025 and 2024 are as follows:

The Group considers the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follows:

As of December 31, 2025

| | Overdue | | | | | | | Total | |
|---------------------------------|-----------------------|------------|------------|------------|-------------|------------|-----------------|------------------|------------|
| | Not yet due (Note) | | | | | | 181-270 days | | >=270 days |
| | | <=30 days | 31-60 days | 61-90 days | 91-180 days | days | | | |
| Group 1 | | | | | | | | | |
| Gross carrying amount | \$346,578 | \$- | \$- | \$- | \$- | \$- | \$459 | \$347,037 | |
| Loss rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100% | | |
| Lifetime expected credit losses | - | - | - | - | - | - | (459) | (459) | |
| Total | \$346,578 | \$- | \$- | \$- | \$- | \$- | \$- | \$346,578 | |

| | Overdue | | | | | | | Total | |
|---------------------------------|-----------------------|-------------|------------|------------|-------------|------------|-----------------|------------------|------------|
| | Not yet due (Note) | | | | | | 181-270 days | | >=270 days |
| | | <=30 days | 31-60 days | 61-90 days | 91-180 days | days | | | |
| Group 2 | | | | | | | | | |
| Gross carrying amount | \$228,188 | \$39 | \$- | \$- | \$- | \$- | \$- | \$228,227 | |
| Loss rate | 1.18% | 28.21% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | | |
| Lifetime expected credit losses | (2,693) | (11) | - | - | - | - | - | (2,704) | |
| Total | \$225,495 | \$28 | \$- | \$- | \$- | \$- | \$- | \$225,523 | |

As of December 31, 2024

| | Overdue | | | | | | | Total | |
|---------------------------------|-----------------------|----------------|------------|------------|--------------|------------|-----------------|------------------|------------|
| | Not yet due (Note) | | | | | | 181-270 days | | >=270 days |
| | | <=30 days | 31-60 days | 61-90 days | 91-180 days | days | | | |
| Group 1 | | | | | | | | | |
| Gross carrying amount | \$830,940 | \$1,608 | \$6 | \$- | \$670 | \$- | \$- | \$833,224 | |
| Loss rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | | |
| Lifetime expected credit losses | - | - | - | - | - | - | - | - | |
| Total | \$830,940 | \$1,608 | \$6 | \$- | \$670 | \$- | \$- | \$833,224 | |

| | Overdue | | | | | | | Total | |
|---------------------------------|-----------------------|----------------|------------|------------|-------------|------------|-----------------|------------------|------------|
| | Not yet due (Note) | | | | | | 181-270 days | | >=270 days |
| | | <=30 days | 31-60 days | 61-90 days | 91-180 days | days | | | |
| Group 2 | | | | | | | | | |
| Gross carrying amount | \$479,946 | \$3,216 | \$- | \$- | \$- | \$- | \$- | \$483,162 | |
| Loss rate | 0.44% | 21.98% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | | |
| Lifetime expected credit losses | (2,124) | (707) | - | - | - | - | - | (2,831) | |
| Total | \$477,822 | \$2,509 | \$- | \$- | \$- | \$- | \$- | \$480,331 | |

(Note) The Group's notes receivables are not overdue.

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The movement in the provision for impairment of note receivables and trade receivables for the years ended December 31, 2025 and 2024 is as follows:

| | For the years ended | |
|--|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Balance as of January 1 | \$2,831 | \$4,661 |
| Addition (reversal) for the current period | 332 | (1,830) |
| Write off | - | - |
| Balance as of December 31 | <u>\$3,163</u> | <u>\$2,831</u> |

All provision referred to trade receivables.

(16) Leases

(a) Group as a lessee

The Group leases various properties, including buildings, machinery and equipment, transportation equipment and other equipment. The lease terms range from 1 to 5 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

A. Amounts recognized in the balance sheet

(i) Right-of-use assets

The carrying amount of right-of-use assets

| | As of | |
|-----------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Buildings | \$5,410 | \$11,848 |
| Other equipment | 230 | 138 |
| Total | <u>\$5,640</u> | <u>\$11,986</u> |

For the years ended December 31, 2025 and 2024 the Group's additions to right-of-use assets amounted to NT612 thousand and NT\$13,615 thousand, respectively.

(ii) Lease liabilities

| | As of | |
|-------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Current | \$5,395 | \$6,984 |
| Non-current | 315 | 5,038 |
| Total | <u>\$5,710</u> | <u>\$12,022</u> |

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Please refer to Note 6.19(d) for the interest on lease liabilities recognized during the years ended December 31, 2025 and 2024 and refer to Note 12.5 Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

| | For the years ended | |
|-----------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Buildings | \$6,909 | \$5,924 |
| Other equipment | 49 | 38 |
| Total | <u>\$6,958</u> | <u>\$5,962</u> |

C. Income and costs relating to leasing activities

| | For the years ended | |
|--|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| The expenses relating to short-term leases | \$- | \$- |
| The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets) | 1,233 | 1,422 |

D. Cash outflow relating to leasing activities

During the years ended December 31, 2025 and 2024, the Group's total cash outflows for leases amounted to NT\$8,353 thousand and NT\$7,485 thousand, respectively.

E. Other information relating to leasing activities

Extension and termination options

Some of the Group's buildings and machinery and equipment agreement (e.g. property rental agreement) contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group.

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After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(b) Group as a lessor

Please refer to Note 6.10 for details on the Group's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

| | For the years ended | |
|---|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Lease income for operating leases | | |
| Income relating to fixed lease payments and variable lease payments that depend on an index or a rate | \$4,486 | \$4,693 |
| Income relating to variable lease payments that do not depend on an index or a rate | - | - |
| Total | <u>\$4,486</u> | <u>\$4,693</u> |

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2025 and 2024 are as follows:

| | As of | |
|--|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Not later than one year | \$4,617 | \$4,300 |
| Later than one year but not later than two years | 4,114 | 4,114 |
| Later than two years but not later than three years | 4,114 | 4,114 |
| Later than three years but not later than four years | 3,772 | 4,114 |
| Later than four years but not later than five years | - | 3,772 |
| Total | <u>\$16,617</u> | <u>\$20,414</u> |

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(17) Summary statement of employee benefits, depreciation and amortization expenses by function for the years ended December 31, 2025 and 2024:

| | For the year ended December 31, 2025 | | | | For the year ended December 31, 2024 | | | |
|---------------------------------|--------------------------------------|--------------------|------------------------|--------------|--------------------------------------|--------------------|------------------------|--------------|
| | Operating costs | Operating expenses | Non-operating expenses | Total amount | Operating costs | Operating expenses | Non-operating expenses | Total amount |
| Employee benefits expense | | | | | | | | |
| Salaries | \$193,301 | \$130,039 | \$7,892 | \$331,232 | \$177,437 | \$128,092 | \$5,661 | \$311,190 |
| Labor and health insurance | 15,992 | 7,343 | 419 | 23,754 | 14,810 | 7,062 | 372 | 22,244 |
| Pension | 5,696 | 3,461 | 185 | 9,342 | 5,361 | 3,199 | 194 | 8,754 |
| Director's remuneration | 8,465 | 3,812 | 288 | 12,565 | 7,586 | 3,887 | 232 | 11,705 |
| Other employee benefits expense | 9,033 | 2,699 | 223 | 11,955 | 8,271 | 2,448 | 190 | 10,909 |
| Depreciation | 76,633 | 10,965 | - | 87,598 | 68,920 | 10,037 | - | 78,957 |
| Amortization | 28 | 343 | - | 371 | - | 323 | - | 323 |

According to the Articles of Incorporation, 2% to 8% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall first have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit of the years ended December 31, 2025 and 2024, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the years ended December 31 to be 6% and 3% of profit of the year and 6% and 3% of profit of the year, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2025 amounted to NT\$66,922 thousand and NT\$33,461 thousand, respectively. Employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2024 amounted to NT\$62,212 thousand and NT\$31,106 thousand, respectively.

The abovementioned distribution of the employee compensation and remuneration to directors and supervisors under salary expenses. Any differences between the estimated amounts and the actual amounts approved by the Board of Directors are adjusted in the subsequent year's profit or loss upon resolution.

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A resolution was passed at a Board of Directors meeting held on March 13, 2026 to distribute NT\$66,922 thousand and NT\$33,461 thousand in cash as employees' compensation and remuneration to directors and supervisors of 2025, respectively. No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2025.

No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2025.

(18) Non-operating income and expenses

(a) Interest income

| | For the years ended | |
|---|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Bank interest income | \$6,436 | \$7,757 |
| Financial assets measured at amortized cost | 4,349 | 7,810 |
| Others interest income | 1,762 | 1,517 |
| Total | \$12,547 | \$17,084 |

(b) Other income

| | For the years ended | |
|-----------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Rental income | \$5,685 | \$6,246 |
| Dividend income | 111,513 | 78,311 |
| Other income | 20,392 | 16,258 |
| Total | \$137,590 | \$100,815 |

(c) Other gains and losses

| | For the years ended | |
|--|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Gains (losses) on disposal of property, plant and equipment | \$3,406 | \$4,019 |
| Gains (losses) on disposal of investment property | - | 4,253 |
| Foreign exchange gains (losses), net | 3,264 | 9,448 |
| Gain on reversal of impairment loss | 185 | 144 |
| Gains (losses) on financial assets at fair value through profit or loss (Note) | 86,571 | 189 |
| Impairment losses - non-financial assets | (52,076) | - |
| Other expenses | (12,897) | (8,412) |
| Total | \$28,453 | \$9,641 |

Note: Balances were arising from financial assets mandatorily measured at fair value through profit or loss.

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(d) Finance costs

| | For the years ended | |
|-------------------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Deposit imputed interest | \$1,184 | \$1,519 |
| Interest on bank loans | 675 | 113 |
| Interest on lease liabilities | 196 | 105 |
| Total | \$2,055 | \$1,737 |

(19) Components of other comprehensive income

For the year ended December 31, 2025

| | Arising during the period | Reclassification adjustments during the period | Other comprehensive income, before tax | Income tax relating to components of other comprehensive income | Other comprehensive income, net of tax |
|---|------------------------------|---|---|--|---|
| Not to be reclassified to profit or loss in subsequent periods: | | | | | |
| Remeasurements of defined benefit plans | \$5,330 | \$- | \$5,330 | \$(1,066) | \$4,264 |
| Property revaluation surplus | 33,425 | - | 33,425 | - | 33,425 |
| Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income | 608,538 | - | 608,538 | (21,649) | 586,889 |
| To be reclassified to profit or loss in subsequent periods: | | | | | |
| Exchange differences resulting from translating the financial statements of a foreign operation | (7,205) | - | (7,205) | - | (7,205) |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method | 46,879 | - | 46,879 | - | 46,879 |
| Total other comprehensive income | \$686,967 | \$- | \$686,967 | \$(22,715) | \$664,252 |

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For the year ended December 31, 2024

| | Arising during the period | Reclassification adjustments during the period | Other comprehensive income, before tax | Income tax relating to components of other comprehensive income | Other comprehensive income, net of tax |
|---|------------------------------|---|---|--|---|
| Not to be reclassified to profit or loss in subsequent periods: | | | | | |
| Remeasurements of defined benefit plans | \$3,850 | \$- | \$3,850 | \$(770) | \$3,080 |
| Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income | (96,641) | - | (96,641) | (7,292) | (103,933) |
| To be reclassified to profit or loss in subsequent periods: | | | | | |
| Exchange differences resulting from translating the financial statements of a foreign operation | 10,871 | - | 10,871 | - | 10,871 |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method | 16,170 | - | 16,170 | - | 16,170 |
| Total other comprehensive income | <u>\$(65,750)</u> | <u>\$-</u> | <u>\$(65,750)</u> | <u>\$(8,062)</u> | <u>\$(73,812)</u> |

(20) Income tax

The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

| | For the years ended | |
|---|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Current income tax expense (income): | | |
| Current income tax charge | \$189,740 | \$185,114 |
| Adjustments in respect of current income tax of prior periods | (2,772) | (228) |
| Deferred tax expense (income): | | |
| Deferred tax expense (income) relating to origination and reversal of temporary differences | (7,033) | 6,790 |
| Total income tax expense (income) | <u>\$179,935</u> | <u>\$191,676</u> |

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Income tax relating to components of other comprehensive income

| | For the years ended | |
|---|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Deferred tax expense (income): | | |
| Remeasurements of defined benefit plans | \$1,066 | \$770 |
| Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income | 21,649 | 7,292 |
| Income tax relating to components of other comprehensive income | <u>\$22,715</u> | <u>\$8,062</u> |

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

| | For the years ended | |
|---|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Accounting profit (loss) before tax from continuing operations | <u>\$1,054,135</u> | <u>\$944,903</u> |
| Tax at the domestic rates applicable to profits in the country concerned | \$205,607 | \$189,140 |
| Corporate income surtax on undistributed retained earnings | 3,779 | 9,508 |
| Basic income tax adjustment | 90 | - |
| Tax effect of revenues exempt from taxation | (33,392) | (16,635) |
| Tax effect of expenses not deductible for tax purposes | 894 | 113 |
| Tax effect of deferred tax assets/liabilities | 4,771 | - |
| Adjustments in respect of current income tax of prior periods | (2,772) | (228) |
| Others income tax adjustments | 958 | 9,778 |
| Total income tax expense (income) recognized in profit or loss | <u>\$179,935</u> | <u>\$191,676</u> |

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Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2025

| | Beginning balance as of Jan. 1 | Deferred tax income (expense) recognized in profit or loss | Deferred tax income (expense) recognized in other comprehensive income | Ending balance as of Dec. 31 |
|--|-----------------------------------|---|--|---------------------------------|
| <i>Temporary differences</i> | | | | |
| Financial assets at fair value through profit or loss evaluation | \$(1,786) | \$(1,335) | \$- | \$(3,121) |
| Unrealized Liquidation loss | 320 | - | - | 320 |
| Unrealized exchange loss (gain) | (1,650) | 1,181 | - | (469) |
| Impairment on investment property | 1,681 | - | - | 1,681 |
| Impairment on property, plant and equipment | 1,343 | (37) | - | 1,306 |
| Impairment on investments accounted for using the equity method | (43,932) | 10,475 | - | (33,457) |
| Allowance to reduce inventory to market | 6,728 | (2,936) | - | 3,792 |
| Non-current liability — Defined benefit liability | 424 | (315) | (1,066) | (957) |
| Financial assets at fair value through other comprehensive income evaluation | (3,810) | - | (21,649) | (25,459) |
| Deferred tax income (expense) | | \$7,033 | \$(22,715) | |
| Net deferred tax assets (liabilities) | \$40,682 | | | \$(56,364) |
| Reflected in balance sheet as follows: | | | | |
| Deferred tax assets | \$10,496 | | | \$7,099 |
| Deferred tax liabilities | \$(51,178) | | | \$(63,463) |

For the year ended December 31, 2024

| | Beginning balance as of Jan. 1 | Deferred tax income (expense) recognized in profit or loss | Deferred tax income (expense) recognized in other comprehensive income | Ending balance as of Dec. 31 |
|--|-----------------------------------|---|--|---------------------------------|
| <i>Temporary differences</i> | | | | |
| Financial assets at fair value through profit or loss evaluation | \$(1,596) | \$(190) | \$- | \$(1,786) |
| Unrealized Liquidation loss | 320 | - | - | 320 |
| Unrealized exchange loss (gain) | 807 | (2,457) | - | (1,650) |
| Impairment on investment property | 1,681 | - | - | 1,681 |
| Impairment on property, plant and equipment | 1,372 | (29) | - | 1,343 |
| Impairment on investments accounted for using the equity method | (39,862) | (4,070) | - | (43,932) |
| Allowance to reduce inventory to market | 6,274 | 454 | - | 6,728 |
| Non-current liability — Defined benefit liability | 1,692 | (498) | (770) | 424 |
| Financial assets at fair value through other comprehensive income evaluation | 3,482 | - | (7,292) | (3,810) |
| Deferred tax income (expense) | | \$(6,790) | \$(8,062) | |
| Net deferred tax assets (liabilities) | \$25,830 | | | \$(40,682) |
| Reflected in balance sheet as follows: | | | | |
| Deferred tax assets | \$15,627 | | | \$10,496 |
| Deferred tax liabilities | \$41,457 | | | \$51,178 |

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The following table contains information of the unused tax losses of the Group:

Subsidiary-Safety Investment Corp.

| Year | Tax losses for the period | Unused tax losses as at | | Expiration year |
|-------|------------------------------|-------------------------|---------------|-----------------|
| | | Dec. 31, 2025 | Dec. 31, 2024 | |
| 2016 | \$17,670 | \$16,510 | \$16,938 | 2026 |
| 2017 | 31,274 | 31,274 | 31,274 | 2027 |
| 2024 | 14 | 14 | 14 | 2034 |
| Total | | \$47,798 | \$48,226 | |

Unrecognized deferred tax assets

As of December 31, 2025 and 2024, deferred tax assets have not been recognized in respect of unused tax losses, unused tax credits and deductible temporary differences amounting to NT\$51,169 thousand and NT\$46,484 thousand, respectively.

The assessment of income tax returns

As of December 31, 2025, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

| | <u>The assessment of income tax returns</u> |
|---|---|
| The Company | Assessed and approved up to 2023 |
| Subsidiary- Safety Investment Corp. | Assessed and approved up to 2023 |
| Subsidiary- Hong-Hong Engineer Co. Ltd. | Assessed and approved up to 2023 |

(22) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

| | <u>For the years ended</u> | |
|--|------------------------------|------------------------------|
| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
| Basic earnings per share | | |
| Profit attributable to ordinary equity holders of the Company (in thousand NT\$) | \$875,154 | \$753,117 |
| Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands) | 316,080 | 316,080 |
| Basic earnings per share (NT\$) | \$2.77 | \$2.38 |

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| | For the years ended | |
|--|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Diluted earnings per share | | |
| (Loss) profit attributable to ordinary equity holders of the Company (in thousand NT\$) | \$875,154 | \$753,117 |
| Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT\$) | \$875,154 | \$753,117 |
| Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands) | 316,080 | 316,080 |
| Effect of dilution: | | |
| Employee compensation — stock (in thousands) | 2,403 | 2,183 |
| Weighted average number of ordinary shares outstanding after dilution (in thousands) | 318,483 | 318,263 |
| Diluted earnings per share (NT\$) | \$2.75 | \$2.37 |

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

| <u>Name of the related parties</u> | <u>Nature of relationship of the related parties</u> |
|------------------------------------|--|
| South Ocean Holdings Ltd. | Associate |
| Lianfa Metal Enterprise Co., Ltd. | Other (Director of the related party) |
| United Electric Industry Co., Ltd. | Other (Director of the related party) |
| Key management personnel | Key management personnel |

Significant transactions with the related parties

(1) Sales

| | For the years ended | |
|-----------------------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Other related parties | | |
| Lianfa Metal Enterprise Co., Ltd. | \$195,925 | \$39,325 |

The terms and conditions of sales (including prices) to related parties are similar to those with non-related parties.

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(2) Purchases

| | For the years ended | |
|------------------------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Other | | |
| Lianfa Metal Enterprise Co., Ltd. | \$2,461,888 | \$1,868,120 |
| United Electric Industry Co., Ltd. | 245,649 | 259,163 |
| Total | <u>\$2,707,537</u> | <u>\$2,127,283</u> |

The terms and conditions of sales (including prices) to related parties are similar to those with non-related parties.

(3) Accounts payables – related parties

| | As of | |
|------------------------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Other | | |
| Lianfa Metal Enterprise Co., Ltd. | \$886 | \$1,735 |
| United Electric Industry Co., Ltd. | 32,240 | 12,963 |
| Total | <u>\$33,126</u> | <u>\$14,698</u> |

(4) Notes payables – related parties

| | As of | |
|------------------------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Other | | |
| United Electric Industry Co., Ltd. | <u>\$327</u> | <u>\$19,006</u> |

(5) Share transactions between the Group and the related parties

| | December 31, 2024 | | |
|---------------------------------------|-------------------|-----------------------------|----------------------------|
| | Item | Numbers of shares traded | Prices of shares traded |
| Key management personnel of the Group | Safety | | |
| | Investment | | |
| Key management personnel | Corp. | <u>2,466</u> | <u>\$39</u> |

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(6) Others

| | As of | |
|------------------------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Prepayments | | |
| Other | | |
| United Electric Industry Co., Ltd. | \$3,501 | \$7,601 |
| Refundable deposits | | |
| Other | | |
| Lianfa Metal Enterprise Co., Ltd. | \$29,227 | \$29,227 |
| | | |
| | For the years ended | |
| | December 31, 2025 | December 31, 2024 |
| Dividend income | | |
| Other | | |
| Lianfa Metal Enterprise Co., Ltd. | \$23,395 | \$- |
| United Electric Industry Co., Ltd. | 20,701 | 16,361 |
| Total | \$44,096 | \$16,361 |
| Other income | | |
| Associate | | |
| South Ocean Holdings Ltd. | \$275 | \$722 |
| Other | | |
| Lianfa Metal Enterprise Co., Ltd. | 627 | 20 |
| United Electric Industry Co., Ltd. | 1,995 | 1,552 |
| Total | \$2,897 | \$2,294 |
| Operating costs | | |
| Other | | |
| United Electric Industry Co., Ltd. | \$309 | \$382 |
| Operating expenses | | |
| Associate | | |
| South Ocean Holdings Ltd. | \$- | \$303 |

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(7) Key management personnel compensation

| | For the years ended | |
|------------------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Short-term employee benefits | \$62,534 | \$57,464 |
| Post-employment benefits | 407 | 392 |
| Total | \$62,941 | \$57,856 |

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

| Items | Carrying amount | | Secured liabilities |
|--|----------------------|----------------------|---|
| | December 31, 2025 | December 31, 2024 | |
| Financial assets measured at amortized cost - Current | \$33,500 | \$678 | Performance guarantee |
| Financial assets measured at amortized cost - Non current | - | 34,178 | " |
| Property, plant and equipment – land and buildings | 781,716 | 780,772 | Long-term and short-term loans, performance guarantee, general credit limit |
| Investment property – land and buildings | 53,416 | 54,013 | " |
| Total | \$868,632 | \$869,641 | |

9. Significant contingencies and unrecognized contractual commitments

(1) For the needs of bank financing, purchase of materials, sales of goods, tax after release, and engineering guarantee funds, the guarantee bill is issued as follows:

| Guaranteed Bill Company | Item | As of December 31, 2025 |
|----------------------------|---|-------------------------------|
| The Company | Bank loan and purchase guarantee | \$60,000 |
| " | Sales contract guarantee | 408,709 |
| " | Comprehensive Bank Credit Limit | 450,000 |
| " | Performance guarantee and tax guarantee after release | 360,613 |
| Total | | \$1,279,322 |

(2) As of December 31, 2025, the Company has opened an unused letter of credit for USD 93 thousand.

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- (3) As of December 31, 2025, the Company has signed a sales contract and has not yet delivered the amount of NT\$584,389 thousand.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

- (1) Categories of financial instruments

Financial assets

| | As of | |
|---|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Financial assets at fair value through profit or loss: | | |
| Designated at fair value through profit or loss | \$327,415 | \$312,913 |
| Financial assets at fair value through other comprehensive income | 2,639,705 | 1,916,201 |
| Financial assets measured at amortized cost(Note) | 2,242,819 | 2,332,710 |
| Total | <u>\$5,209,939</u> | <u>\$4,561,824</u> |

Financial liabilities

| | As of | |
|---|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Financial liabilities at amortized cost: | | |
| Notes and accounts payables (including related parties) | \$459,157 | \$374,828 |
| Other payables | 268,928 | 231,242 |
| Lease liability | 5,710 | 12,022 |
| Refundable deposits | 1,722 | 1,606 |
| Total | <u>\$735,517</u> | <u>\$619,698</u> |

(Note) Including cash and cash equivalents (excluding cash in hand and petty cash), financial assets measured at amortized cost (including non-current), notes receivables, accounts receivables (including related parties), other receivables (including related parties) and refundable deposits.

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(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency USD. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the years ended December 31, 2025 and 2024 is decreased/increased by NT\$1,300 thousand and NT\$1,537 thousand.

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Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2025 and 2024 to decrease/increase by NT\$172 thousand and NT\$86 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 1% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the years ended December 31, 2025 and 2024 by NT\$2,725 thousand and NT\$2,642 thousand, respectively.

At the reporting date, a change of 1% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT\$17,787 thousand and NT\$11,374 thousand on the equity attributable to the Group for the years ended December 31, 2025 and 2024, respectively.

Please refer to Note 12.8 for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

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(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for trade and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to our Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and our Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2025 and 2024, trade receivables from top ten customers represent 78% and 88% of the total trade receivables of the Group, respectively. The credit concentration risk of other trade receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

In addition, when the Group assesses that it cannot reasonably expect to recover financial assets (for example, the issuer or debtor has major financial difficulties, or has gone bankrupt), it will be written off.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

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Non-derivative financial liabilities

| | Less than 1 year | 2 to 3 years | 4 to 5 years | > 5 years | Total |
|---------------------|---------------------|--------------|--------------|-----------|-----------|
| As of Dec. 31, 2025 | | | | | |
| Trade payables | \$459,157 | \$- | \$- | \$- | \$459,157 |
| Other payables | 268,928 | - | - | - | 268,928 |
| Lease liabilities | 5,446 | 326 | - | - | 5,772 |

| | Less than 1 year | 2 to 3 years | 4 to 5 years | > 5 years | Total |
|---------------------|---------------------|--------------|--------------|-----------|-----------|
| As of Dec. 31, 2024 | | | | | |
| Trade payables | \$374,828 | \$- | \$- | \$- | \$374,828 |
| Other payables | 231,242 | - | - | - | 231,242 |
| Lease liabilities | 7,068 | 5,173 | 26 | - | 12,267 |

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2025:

| | Short-term loans | Deposit received | Leases liabilities | Total liabilities from financing activities |
|---------------------|---------------------|---------------------|-----------------------|--|
| As of Jan. 1, 2025 | \$- | \$1,606 | \$12,022 | \$13,628 |
| Cash flows | - | 116 | (7,120) | (7,004) |
| Non-cash changes | - | - | 808 | 808 |
| As of Dec. 31, 2025 | \$- | \$1,722 | \$5,710 | \$7,432 |

Reconciliation of liabilities for the year ended December 31, 2024:

| | Short-term loans | Deposit received | Leases liabilities | Total liabilities from financing activities |
|---------------------|---------------------|---------------------|-----------------------|--|
| As of Jan. 1, 2024 | \$4,214 | \$1,597 | \$4,365 | \$10,176 |
| Cash flows | (4,214) | 9 | (6,063) | (10,268) |
| Non-cash changes | - | - | 13,720 | 13,720 |
| As of Dec. 31, 2024 | \$- | \$1,606 | \$12,022 | \$13,628 |

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(7) Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(8) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

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

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

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(b) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2025

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|----------------|----------------|----------------|--------------|
| Financial assets: | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Stocks | \$272,521 | \$- | \$20,160 | \$292,681 |
| Corporate bonds | 34,734 | - | - | 34,734 |
| Government bonds | - | - | - | - |
| Financial assets at fair value through other comprehensive income | | | | |
| Stocks | 1,778,689 | - | 861,016 | 2,639,705 |

As of December 31, 2024

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|----------------|----------------|----------------|--------------|
| Financial assets: | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Stocks | \$264,219 | \$- | \$18,712 | \$282,931 |
| Corporate bonds | 23,388 | - | - | 23,388 |
| Government bonds | 6,594 | - | - | 6,594 |
| Financial assets at fair value through other comprehensive income | | | | |
| Stocks | 1,137,414 | - | 778,787 | 1,916,201 |

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

The change details of recurring fair value of Level 3 during the period

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

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| | For the year ended December 31, 2025 | |
|---|--|---|
| | At fair value through profit or loss | At fair value through other comprehensive income |
| | Stocks | Stocks |
| Beginning balances as of January 1, 2025 | \$18,712 | \$778,787 |
| Total gains and losses recognized for the year ended December 31, 2025: | | |
| Amount recognized in profit or loss (presented in “other profit or loss”) | 6,343 | - |
| Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income) | - | 52,086 |
| Acquisition/issues for the year ended December 31, 2025 | 3,492 | 78,165 |
| Disposal/settlements for year ended December 31, 2025 | (8,387) | (13,140) |
| Transfer in/(out) of Level 3 (Note) | - | (36,748) |
| Fluctuations in exchange | - | 1,866 |
| Ending balances as of December 31, 2025 | \$20,160 | \$861,016 |

(Note)The investment subject is converted to listed company.

| | For the year ended December 31, 2024 | |
|---|--|---|
| | At fair value through profit or loss | At fair value through other comprehensive income |
| | Stocks | Stocks |
| Beginning balances as of January 1, 2024 | \$20,521 | \$704,153 |
| Total gains and losses recognized for the year ended December 31, 2024: | | |
| Amount recognized in profit or loss (presented in “other profit or loss”) | 997 | - |
| Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income) | - | (19,326) |
| Acquisition/issues for the year ended December 31, 2024 | 4,001 | 113,962 |
| Disposal/settlements for year ended December 31, 2024 | (6,807) | (19,071) |
| Transfer in/(out) of Level 3 (Note) | - | - |
| Fluctuations in exchange | - | (931) |
| Ending balances as of December 31, 2024 | \$18,712 | \$778,787 |

(Note)The investment subject is converted to listed company.

Total gains and losses recognized in profit or loss for the years ended December 31, 2025 and 2024 in the table above contain gains related to assets on hand as of December 31, 2025 and 2024 in the amount of NT\$6,343 thousand and NT\$997 thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

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As of December 31, 2025

| | Valuation techniques | Significant unobservable inputs | Quantitative information | Relationship between inputs and fair value | Sensitivity of the input to fair value |
|--|-------------------------|---------------------------------------|-----------------------------|---|--|
| Financial assets: | | | | | |
| At fair value through profit or loss | | | | | |
| Stocks | Market approach | discount for lack of marketability | 10%~20% | The higher the discount for lack of marketability, the lower the fair value of the stocks | 1% increase/decrease in the discount for lack of marketability would result in decrease/increase in the Group's profit or loss by NT\$202 thousand |
| At fair value through other comprehensive income | | | | | |
| Stocks | Market approach | discount for lack of marketability | 10%~35% | The higher the discount for lack of marketability, the lower the fair value of the stocks | 1% increase/decrease in the discount for lack of marketability would result in decrease/increase in the Group's equity by NT\$8,610 thousand |

As of December 31, 2024

| | Valuation techniques | Significant unobservable inputs | Quantitative information | Relationship between inputs and fair value | Sensitivity of the input to fair value |
|--|-------------------------|---------------------------------------|-----------------------------|---|--|
| Financial assets: | | | | | |
| At fair value through profit or loss | | | | | |
| Stocks | Market approach | discount for lack of marketability | 10%~20% | The higher the discount for lack of marketability, the lower the fair value of the stocks | 1% increase/decrease in the discount for lack of marketability would result in decrease/increase in the Group's profit or loss by NT\$187 thousand |
| At fair value through other comprehensive income | | | | | |
| Stocks | Market approach | discount for lack of marketability | 10%~35% | The higher the discount for lack of marketability, the lower the fair value of the stocks | 1% increase/decrease in the discount for lack of marketability would result in decrease/increase in the Group's equity by NT\$7,788 thousand |

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- (c) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2025

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|-----------|-----------|
| Financial assets not measured at fair value but for which the fair value is disclosed: | | | | |
| Investment properties (please refer to Note 6) | \$- | \$- | \$361,816 | \$361,816 |
| Investments accounted for using the equity method (please refer to Note 6) | 146,458 | - | - | 146,458 |

As of December 31, 2024

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|-----------|-----------|
| Financial assets not measured at fair value but for which the fair value is disclosed: | | | | |
| Investment properties (please refer to Note 6) | \$- | \$- | \$419,518 | \$419,518 |
| Investments accounted for using the equity method (please refer to Note 6) | 215,444 | - | - | 215,444 |

- (9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

| | As of December 31, 2025 | | |
|-------------------------|-------------------------|-----------------------|-----------|
| | Foreign currencies | Foreign exchange rate | NTD |
| <u>Financial assets</u> | | | |
| Monetary items: | | | |
| USD | \$4,137 | 31.43 | \$130,031 |
| SGD | 193 | 24.45 | 4,710 |
| ZAR | 12,631 | 1.89 | 23,915 |
| CNY | 2,101 | 4.50 | 9,455 |
| HKD | 3,684 | 4.04 | 14,883 |
| JPY | 27,730 | 0.20 | 5,567 |

Investments accounted for using the equity method:

| | | | |
|-----|----------|------|-----------|
| ZAR | \$80,286 | 1.89 | \$151,740 |
|-----|----------|------|-----------|

| | As of December 31, 2024 | | |
|-------------------------|-------------------------|-----------------------|-----------|
| | Foreign currencies | Foreign exchange rate | NTD |
| <u>Financial assets</u> | | | |
| Monetary items: | | | |
| USD | \$4,689 | 32.79 | \$153,733 |
| SGD | 154 | 24.13 | 3,727 |
| ZAR | 8,698 | 1.75 | 15,222 |
| CNY | 2,098 | 4.48 | 9,400 |
| HKD | 3,682 | 4.22 | 15,538 |

Investments accounted for using the equity method:

| | | | |
|-----|----------|------|-----------|
| ZAR | \$90,078 | 1.75 | \$157,636 |
|-----|----------|------|-----------|

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Due to the various types of corporate functional currencies of the Group, it is not possible to disclose the exchange gains and losses of monetary financial assets and financial liabilities according to the foreign currencies that have a significant impact. The Group's foreign currency exchange gains and losses in 2025 and 2024 were gains of NT\$3,264 thousand and gains of NT\$9,664 thousand, respectively.

The above information is disclosed based on the foreign currency book value (which has been converted to functional currency).

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions

- (a) Loan funds to others (None).
- (b) Endorsement and guarantee for others (None).
- (c) Status of holding marketable securities at the end of the period (excluding investment in subsidiaries, affiliates and joint venture equity) (Attachment 1).
- (d) The amount of goods purchased or sold with related parties is NT\$100 million or more than 20% of the paid-in capital (Attachment 2).
- (e) Receivables from related parties amounting to NT\$100 million or more than 20% of the paid-in capital (None).
- (f) Others: business relations and various transactions and amounts between parent and subsidiary companies and between subsidiaries (Attachment 4).

(2) Information on investees (Attachment 3).

(3) Information on investments in Mainland China (None).

14. Segment information

- (1) Since 2025, the Group has had only one electricity operating segment. Its mainly business activities include the manufacturing, processing, and sales of electric wires and cables, communication products, and equipments and accessories. The Group's management reviewed the whole operating results of the Group, for making the decision regarding allocation of the Group's resource and assessing the overall performance of the Group. Accordingly, the segment is considered to operate as a single segment.

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(2) District Information

Revenue from external customers :

| | For the years ended | |
|--------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Taiwan | \$7,550,460 | \$6,583,904 |

Revenue is classified based on the country where the customer is located.

Non-current assets :

| | As of | |
|-----------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Taiwan | \$3,810,529 | \$3,245,276 |
| Other Countries | 602,706 | 484,370 |
| Total | \$4,413,235 | \$3,729,646 |

(3) Important customer information

| | As of | |
|-----------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| A Company | \$3,571,261 | \$2,679,485 |

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Attachment 1: Securities held as of December 31, 2025 (not including subsidiaries, associates and joint ventures)

Unit: NTD thousand

| Company | Type and Name of the Securities | Relationship | Financial Statement Account | As of December 31, 2025 | | | | Note |
|--|---|-------------------------------|--|-------------------------|--------------------|-----------------------------|--------------------|------|
| | | | | Shares | Carrying Amount | Percentage of Ownership (%) | Fair Value | |
| Hong Tai Electric Industrial Co., Ltd. | Grand Fortune Securities Co., Ltd. | None | Financial assets at fair value through profit or loss, current | 4,813,694 | \$63,541 | 1.22 | \$63,541 | |
| | ITEQ Corporation | " | " | 400,000 | 45,400 | 0.11 | 45,400 | |
| | Hon Hai Precision Industry Co., Ltd. | " | " | 120,000 | 27,660 | 0.00 | 27,660 | |
| | Powerchip Semiconductor Manufacturing Corporation | " | " | 652,615 | 25,811 | 0.02 | 25,811 | |
| | Tai Sin Electric Cables Manufacturer Limited | " | " | 1,580,189 | 22,992 | 0.00 | 22,992 | |
| | Others (Note) | - | " | 4,054,234 | 96,259 | - | 96,259 | |
| | Subtotal | | | | <u>281,663</u> | | <u>281,663</u> | |
| | Ardentec Corporation | None | Financial assets at fair value through other comprehensive income, non-current | 4,539,000 | 565,106 | 0.93 | 565,106 | |
| | American Belite Bio, Inc. | " | " | 45,000 | 192,303 | 0.14 | 192,303 | |
| | Grand Fortune Securities Co., Ltd. | " | " | 12,594,298 | 166,245 | 3.18 | 166,245 | |
| | United Electric Industry Co., Ltd. | Director of the related party | " | 7,486,180 | 147,103 | 6.91 | 147,103 | |
| | Lianfa Metal Enterprise Co., Ltd. | " | " | 8,067,300 | 141,662 | 16.13 | 141,662 | |
| | Others (Note) | - | " | 53,461,123 | 1,378,322 | - | 1,378,322 | |
| | Subtotal | | | | <u>2,590,741</u> | | <u>2,590,741</u> | |
| | Total | | | | <u>\$2,872,404</u> | | <u>\$2,872,404</u> | |

(Note) : The individual balance does not reach 5% of the balance of the subject.

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Attachment 1.1: Securities held as of December 31, 2025 (not including subsidiaries, associates and joint ventures)

Unit: NTD thousand

| Company | Type and Name of the Securities | Relationship | Financial Statement Account | As of December 31, 2025 | | | | Note |
|-------------------------|------------------------------------|--------------|--|-------------------------|-----------------|-----------------------------|---------------|------|
| | | | | Shares | Carrying Amount | Percentage of Ownership (%) | Fair Value | |
| Safety Investment Corp. | Giant Manufacturing Co., Ltd. | None | Financial assets at fair value through profit or loss, current | 200,000 | \$18,520 | 0.05 | \$18,520 | |
| | Grand Fortune Securities Co., Ltd. | " | " | 634,735 | 8,379 | 0.16 | 8,379 | |
| | TCI CO., Ltd. | " | " | 40,744 | 4,502 | 0.03 | 4,502 | |
| | Vivotek Inc. | " | " | 40,000 | 3,952 | 0.05 | 3,952 | |
| | Aurotek Corporation | " | " | 30,000 | 3,045 | 0.04 | 3,045 | |
| | Advanced Ceramic X Corporation | " | " | 20,000 | 2,940 | 0.03 | 2,940 | |
| | Egis Technology Inc. | " | " | 20,000 | 2,410 | 0.02 | 2,410 | |
| | Others (Note) | " | " | 40,000 | 2,004 | - | 2,004 | |
| | Subtotal | | | | <u>45,752</u> | | <u>45,752</u> | |
| | Grand Fortune Securities Co., Ltd. | None | Financial assets at fair value through other comprehensive income, non-current | 598,695 | 7,903 | 0.15 | 7,903 | |
| | Lianfa Metal Enterprise Co., Ltd. | " | " | 398,000 | 6,989 | 0.80 | 6,989 | |
| | Beiley Biofund Inc. | " | " | 179,418 | 4,150 | 0.09 | 4,150 | |
| | Foresee Pharmaceuticals Co., Ltd. | " | " | 50,326 | 4,056 | 0.03 | 4,056 | |
| | Ever Fortune.AI Co., Ltd. | " | " | 30,000 | 2,103 | 0.03 | 2,103 | |
| | Subtotal | | | | <u>25,201</u> | | <u>25,201</u> | |
| Total | | | | <u>\$70,953</u> | | <u>\$70,953</u> | | |

(Note) : The individual balance does not reach 5% of the balance of the subject.

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Attachment 1.2: Securities held as of December 31, 2025 (not including subsidiaries, associates and joint ventures)

| Company | Type and Name of the Securities | Relationship | Financial Statement Account | As of December 31, 2025 | | | | Note |
|-----------------------------|----------------------------------|--------------|--|-------------------------|--------------------------------|-----------------------------|-----------------|----------|
| | | | | Shares | Carrying Amount | Percentage of Ownership (%) | Fair Value | |
| Moneywin International Ltd. | Great Team Backend Foundry, Inc. | None | Financial assets at fair value through other comprehensive income, non-current | 849,387 | \$21,892 (USD 696 thousand) | 2.94 | \$21,892 | USD 0.82 |
| | Other (Note) | " | " | 325,488 | 1,871 (USD 60 thousand) | - | 1,871 | |
| | Total | | | | | <u>\$23,763</u> | <u>\$23,763</u> | |

(Note) : The individual balance does not reach 5% of the balance of the subject.

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Attachment 2: Purchases or sales of goods from or to related parties exceeding NT\$100 million or 20% of paid-in capital or more

Unit: NTD thousand

| Purchaser / Seller | Counter-party | Relationship | Transaction | | | | Details of non-arms Length transaction | | Notes/Accounts Receivable (Payable) | | Note |
|--|------------------------------------|-------------------------------|----------------|-------------|-----------------------------------|----------|--|----------|-------------------------------------|--|------|
| | | | Purchase/ Sale | Amount | Percentage of total Purchase/Sale | Term | Unit Price | Term | Balance | Percentage of total Receivable (Payable) | |
| Hong Tai Electric Industrial Co., Ltd. | Lianfa Metal Enterprise Co., Ltd. | Director of the related party | Purchase | \$2,461,888 | 39.55% | 60 days | (Note 1) | (Note 1) | \$(886) | (0.19%) | |
| " | United Electric Industry Co., Ltd. | " | " | \$245,649 | 3.95% | " | " | " | \$(32,239) | (7.02%) | |
| " | Lianfa Metal Enterprise Co., Ltd. | " | Sales | \$195,925 | 2.59% | (Note 2) | (Note 2) | (Note 2) | \$- | - | |

(Note 1) The transaction terms are similar to those of general transactions.

(Note 2) Determined based on the bargaining result of each transaction.

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Attachment 3: Names, locations and related information of investee companies as of December 31, 2025 (excluding Mainland China)

Unit: NTD thousand

| Investor | Investee | Region | Main Business | Initial Investment | | As of Dec 31, 2025 | | | Investees company net income in 2025 | Share of Profits/Losses | Note |
|--|-----------------------------|----------------|---|---------------------------------|---------------------------------|--------------------|------------|------------------|--------------------------------------|-------------------------|------|
| | | | | Balance at December 31, 2025 | Balance at December 31, 2024 | Number of shares | Percentage | Amount | | | |
| Hong Tai Electric Industrial Co., Ltd. | Safety Investment Corp. | Taiwan | Investing | \$37,707 | \$37,707 | 8,800,000 | 100.00% | \$121,253 | \$(3,203) | \$(3,203) | |
| " | Moneywin International Ltd. | Virgin Islands | Investing | 144,991 (USD 4,431 thousand) | 144,991 (USD 4,431 thousand) | 4,430,860 | 100.00% | 123,950 | (5,988) | (5,988) | |
| " | Hong-Hong Engineer Co. Ltd. | Taiwan | Cable installation engineering industry | 18,630 | 18,630 | 3,575,880 | 86.00% | 29,005 | (23,850) | (20,511) | |
| " | South Ocean Holdings Ltd. | South Africa | Holding company | 492,851 | 492,851 | 56,270,187 | 27.68% | 137,151 | (27,806) | (1,926) | |
| | | | | | | | | <u>\$411,359</u> | | <u>\$(31,628)</u> | |

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Attachment 3.1: Names, locations and related information of investee companies as of December 31, 2025 – Moneywin International Ltd. (excluding Mainland China) :

Unit: NTD thousand

| Investor | Investee | Region | Main Business | Initial Investment | | As of Dec 31, 2025 | | | Investees company net income in 2025 | Share of Profits/Losses | Note |
|-----------------------------|---------------------------|--------------|-----------------|---|---|--------------------|------------|---------------------------------------|--------------------------------------|-------------------------|------|
| | | | | Balance at December 31, 2025 | Balance at December 31, 2024 | Number of shares | Percentage | Amount | | | |
| Moneywin International Ltd. | South Ocean Holdings Ltd. | South Africa | Holding company | \$71,618 <u>(USD 2,401 thousand)</u> | \$71,618 <u>(USD 2,401 thousand)</u> | 6,222,630 | 3.06% | \$14,589 <u>(USD 464 thousand)</u> | \$(27,806) | \$(224) | |

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Attachment 3.2: Names, locations and related information of investee companies as of December 31, 2025 – Safety Investment Corp. (excluding Mainland China) :

Unit: NTD thousand

| Investor | Investee | Region | Main Business | Original cost | | As of Dec 31, 2025 | | | Investees company net income in 2025 | Share of Profits/Losses | Note |
|-------------------------|-----------------------------|--------|---|------------------------------|------------------------------|--------------------|------------|---------|--------------------------------------|-------------------------|------|
| | | | | Balance at December 31, 2025 | Balance at December 31, 2024 | Number of shares | Percentage | Amount | | | |
| Safety Investment Corp. | Hong-Hong Engineer Co. Ltd. | Taiwan | Cable installation engineering industry | \$2,557 | \$2,557 | 415,800 | 10.00% | \$3,373 | \$(23,850) | \$(2,385) | |

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Attachment 4: Significant intercompany transactions between consolidated entities

Unit: NTD thousand

| No. | Company name | Counterparty | Relationship | Transaction | | | |
|-----|--|-----------------------------|-----------------------------|-----------------|--------|-------------------|---|
| | | | | Account | Amount | Transaction terms | Percentage of consolidated total operating revenues or total assets |
| 0 | Hong Tai Electric Industrial Co., Ltd. | Safety Investment Corp. | The Company to subsidiaries | Rent income | \$96 | Regular | 0.00% |
| | | Hong-Hong Engineer Co. Ltd. | The Company to subsidiaries | Operating costs | 8,804 | Regular | 0.12% |
| | | | | Rent income | 288 | Regular | 0.00% |
| | | | | Other income | 17,628 | Regular | 0.23% |
| | | | | Other expense | 2,097 | Regular | 0.03% |