

**ANPEC ELECTRONICS CORPORATION
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT
AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024**

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

ANPEC ELECTRONICS CORPORATION
PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
Table of Contents

Items	Page/No./Index
1. Cover Page	1
2. Table of Contents	2 - 3
3. Independent Auditors' Report	4 - 9
4. Parent Company Only Balance Sheets	10 - 11
5. Parent Company Only Statements of Comprehensive Income	12
6. Parent Company Only Statements of Changes in Equity	13
7. Parent Company Only Statements of Cash Flows	14 - 15
8. Notes to the Parent Company Only Financial Statements	16 - 68
(1) History and Organization	16
(2) The Date of Authorization for Issuance of the Financial Statements	16
(3) Application of New Standards, Amendments and Interpretations	16 - 18
(4) Summary of Material Accounting Policies	18 - 29
(5) Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty	29 - 30
(6) Details of Significant Accounts	30 - 56
(7) Related Party Transactions	57 - 58
(8) Pledged Assets	58
(9) Significant Contingent Liabilities and Unrecognised Contract Commitments	58
(10) Significant Disaster Loss	59
(11) Significant Events after the Balance Sheet Date	59
(12) Others	59 - 67

Items	Page/No./Index
(13) Supplementary Disclosures	67 - 68
(14) Segment Information	68
9. Statements of Major Accounting Items	
Statements of Cash and Cash Equivalents	Statement 1
Statement of Financial Assets at Fair Value Through Profit or Loss - Current	Statement 2
Statements of Accounts Receivable	Statement 3
Statements of Inventories	Statement 4
Statements of Changes in Long-term Equity Investments Accounted for Using the Equity Method	Statement 5
Statement of Changes in Right-of-use Assets	Statement 6
Statement of Accumulated Depreciation of Right-of-use Assets	Statement 7
Statements of Accounts Payable	Statement 8
Statements of Lease Liabilities	Statement 9
Statements of Operating Revenue	Statement 10
Statements of Operating Costs	Statement 11
Statements of Operating Expenses	Statement 12
Statement of Employee Benefits, Depreciation, Depletion, and Amortization Expenses of the Period by Function	Statement 13

INDEPENDENT AUDITORS' REPORT

(2026) Cai-Shen-Bao No. 25003788

To the Board of Directors and Shareholders of Anpec Electronics Corporation

Opinion

We have audited the accompanying parent company only balance sheets of Anpec Electronics Corporation (the "Company") as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standard on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matter for the Company's 2025 parent company only financial statements is stated as follows:

Evaluation of inventories

Description

The Company is primarily engaged in the manufacture and sales of products, such as components and modules, wireless and network communication ICs and photoelectric driver ICs. Inventories are measured at the lower of cost and net realizable value. Please refer to Note 4(12) of the financial statements for the inventories valuation policies, and Note 5(2) of the financial statements for the uncertainty of accounting estimates for inventories valuation.

Given that the calculation of the net realisable value for inventories over a certain age and individually identified as obsolete or slow-moving involves estimation uncertainty and there is a huge variety in inventory items which requires substantial amount of time for performing audit procedures, we considered the evaluation of inventories a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of accounting policies on evaluation of inventories.
2. Checked supporting documents of inventory movement transactions and verified the appropriateness of inventory aging reports used by management for evaluation.
3. Sampled individual inventory and checked against the latest purchase or sale price information for the net realisable value for inventory evaluation and referred to inventory clearance estimated from historical information for the net realisable value for inventories over a certain age and individually identified as obsolete or slow-moving to assess the reasonableness of net realisable value.
4. Tested the comparison results of inventory cost and net realisable value and then assessed the adequacy of allowance for inventory valuation loss.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit of the parent company only. We remain solely responsible for our audit opinion on the parent company only financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period 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.

Li, Tien-Yi

Shu-Chien Pai

For and on behalf of PricewaterhouseCoopers, Taiwan

February 11, 2026

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers 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.

ANPEC ELECTRONICS CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 448,231	9	\$ 431,737	9
1110	Financial assets at fair value through profit or loss - current	6(2)	196,409	4	193,472	4
1136	Current financial assets at amortised cost	6(3)	1,500,000	30	1,320,000	29
1170	Accounts receivable, net	6(4)	767,335	15	667,356	15
1200	Other receivables		24,179	-	16,347	-
130X	Inventories	6(5)	529,536	10	395,698	9
1410	Prepayments		3,081	-	2,155	-
11XX	Total current assets		<u>3,468,771</u>	<u>68</u>	<u>3,026,765</u>	<u>66</u>
Non-current assets						
1535	Non-current financial assets at amortised cost	6(3) and 8	77,997	1	38,506	1
1550	Investments accounted for under equity method	6(6)	806,487	16	753,141	17
1600	Property, plant and equipment	6(7)	496,248	10	510,263	11
1755	Right-of-use assets	6(8)	106,952	2	115,330	3
1760	Investment property, net	6(10)	27,285	1	22,116	-
1780	Intangible assets	6(11)	34,974	1	41,968	1
1840	Deferred income tax assets	6(27)	34,026	1	34,600	1
1900	Other non-current assets	6(13)	22,111	-	16,453	-
15XX	Total non-current assets		<u>1,606,080</u>	<u>32</u>	<u>1,532,377</u>	<u>34</u>
1XXX	Total assets		<u>\$ 5,074,851</u>	<u>100</u>	<u>\$ 4,559,142</u>	<u>100</u>

(Continued)

ANPEC ELECTRONICS CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Current liabilities						
2150	Notes payable		\$ 3,591	-	\$ 3,582	-
2170	Accounts payable		230,562	5	205,830	5
2180	Accounts payable - related parties	7	9,656	-	2,364	-
2200	Other payables	6(12)	458,101	9	376,671	8
2220	Other payables - related parties	7	394	-	322	-
2230	Current income tax liabilities		246,733	5	196,546	4
2280	Current lease liabilities	6(30)	4,548	-	4,621	-
2310	Advance receipts	7	609	-	501	-
2399	Other current liabilities - others		13,818	-	3,886	-
21XX	Total current liabilities		<u>968,012</u>	<u>19</u>	<u>794,323</u>	<u>17</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(27)	6,031	-	5,375	-
2580	Non-current lease liabilities	6(30)	108,262	2	115,953	3
2600	Other non-current liabilities	7	<u>53,087</u>	<u>1</u>	<u>52,800</u>	<u>1</u>
25XX	Total non-current liabilities		<u>167,380</u>	<u>3</u>	<u>174,128</u>	<u>4</u>
2XXX	Total liabilities		<u>1,135,392</u>	<u>22</u>	<u>968,451</u>	<u>21</u>
Equity						
Share capital		6(15)				
3110	Common stock		752,760	15	751,485	16
Capital surplus		6(16)				
3200	Capital surplus		972,420	19	902,302	19
Retained earnings		6(17)				
3310	Legal reserve		734,346	15	661,699	15
3320	Special reserve		5,597	-	5,597	-
3350	Unappropriated retained earnings		1,676,232	33	1,393,257	31
Other equity interest		6(18)				
3400	Other equity interest		(147,570)	(3)	(65,975)	(1)
3500	Treasury stocks	6(15)	(54,326)	(1)	(57,674)	(1)
3XXX	Total equity		<u>3,939,459</u>	<u>78</u>	<u>3,590,691</u>	<u>79</u>
Significant events after the balance sheet date		11				
3X2X	Total liabilities and equity		<u>\$ 5,074,851</u>	<u>100</u>	<u>\$ 4,559,142</u>	<u>100</u>

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

ANPEC ELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Item	Notes	Year ended December 31				
		2025		2024		
		Amount	%	Amount	%	
4000	Operating revenue	6(19)	\$ 4,122,753	100	\$ 3,397,714	100
5000	Operating costs	6(5)	(2,190,709)	(53)	(1,801,341)	(53)
5900	Gross profit		1,932,044	47	1,596,373	47
	Operating expenses	6(25)(26)				
6100	Selling expenses		(341,291)	(8)	(324,703)	(10)
6200	General and administrative expenses		(146,141)	(4)	(127,466)	(3)
6300	Research and development expenses		(539,655)	(13)	(477,885)	(14)
6000	Total operating expenses		(1,027,087)	(25)	(930,054)	(27)
6500	Other income and expenses, net	6(20)	6,407	-	5,343	-
6900	Operating profit		911,364	22	671,662	20
	Non-operating income and expenses					
7100	Interest income	6(21)	37,532	1	36,692	-
7010	Other income	6(22)	7,621	-	3,626	-
7020	Other gains and losses	6(23)	27,506	1	54,857	2
7050	Finance costs	6(24)	(1,738)	-	(1,866)	-
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(6)	147,388	3	93,729	3
7000	Total non-operating income and expenses		218,309	5	187,038	5
7900	Profit before income tax		1,129,673	27	858,700	25
7950	Income tax expense	6(27)	(178,437)	(4)	(138,607)	(4)
8200	Profit for the year		\$ 951,236	23	\$ 720,093	21
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gain on remeasurement of defined benefit plans	6(13)	\$ 2,117	-	\$ 7,976	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	(423)	-	(1,595)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Cumulative translation differences of foreign operations	6(18)	166	-	1,568	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(27)	(33)	-	(307)	-
8300	Other comprehensive income for the year		\$ 1,827	-	\$ 7,642	-
8500	Total comprehensive income for the year		\$ 953,063	23	\$ 727,735	21
	Earnings per share (in dollars)	6(28)				
9750	Basic earnings per share		\$ 13.04		\$ 9.89	
9850	Diluted earnings per share (in dollars)	6(28)	\$ 12.75		\$ 9.67	

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

ANPEC ELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained earnings				Other equity interest				Total equity
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Other equity	Treasury stocks	
<u>2024</u>										
Balance at January 1, 2024		\$ 746,415	\$ 795,222	\$ 610,559	\$ 5,597	\$ 1,162,862	(\$ 2,378)	(\$ 54,281)	(\$ 57,774)	\$ 3,206,222
Profit for the year		-	-	-	-	720,093	-	-	-	720,093
Other comprehensive income for the year	6(18)	-	-	-	-	6,381	1,261	-	-	7,642
Total comprehensive income for the year		-	-	-	-	726,474	1,261	-	-	727,735
Appropriation of 2023 earnings:	6(17)									
Legal reserve		-	-	51,140	-	(51,140)	-	-	-	-
Cash dividends		-	-	-	-	(444,939)	-	-	-	(444,939)
Compensation cost of employee restricted shares	6(14)(18)	-	-	-	-	-	-	95,671	-	95,671
Employee restricted shares retired	6(14)(15)(16)(18)	(310)	(4,681)	-	-	-	-	4,991	-	-
Issuance of employee restricted shares	6(14)(15)(16)(18)	5,380	105,859	-	-	-	-	(111,239)	-	-
Dividend income received by subsidiary from the parent company recognized in proportion to ownership	6(16)	-	2,201	-	-	-	-	-	-	2,201
Adjustments to shares in the parent company held by subsidiaries as treasury shares		-	-	-	-	-	-	-	100	100
Restricted stock awards issued by subsidiary	6(16)	-	3,701	-	-	-	-	-	-	3,701
Balance at December 31, 2024		\$ 751,485	\$ 902,302	\$ 661,699	\$ 5,597	\$ 1,393,257	(\$ 1,117)	(\$ 64,858)	(\$ 57,674)	\$ 3,590,691
<u>2025</u>										
Balance at January 1, 2025		\$ 751,485	\$ 902,302	\$ 661,699	\$ 5,597	\$ 1,393,257	(\$ 1,117)	(\$ 64,858)	(\$ 57,674)	\$ 3,590,691
Profit for the year		-	-	-	-	951,236	-	-	-	951,236
Other comprehensive income for the year	6(18)	-	-	-	-	1,694	133	-	-	1,827
Total comprehensive income for the year		-	-	-	-	952,930	133	-	-	953,063
Appropriation of 2024 earnings:	6(17)									
Legal reserve		-	-	72,647	-	(72,647)	-	-	-	-
Cash dividends		-	-	-	-	(597,308)	-	-	-	(597,308)
Cash distribution from capital surplus	6(16)	-	(44,798)	-	-	-	-	-	-	(44,798)
Compensation cost of employee restricted shares	6(14)(18)	-	-	-	-	-	-	63,339	-	63,339
Employee restricted shares retired	6(14)(15)(16)(18)	(125)	(1,996)	-	-	-	-	2,121	-	-
Issuance of employee restricted shares	6(14)(15)(16)(18)	6,250	140,938	-	-	-	-	(147,188)	-	-
Cancellation of treasury stock	6(15)(16)	(4,850)	(28,298)	-	-	-	-	-	33,148	-
Dividend income received by subsidiary from the parent company recognized in proportion to ownership	6(16)	-	4,539	-	-	-	-	-	-	4,539
Shares in the parent company held by subsidiaries treated as treasury stock		-	-	-	-	-	-	-	(29,775)	(29,775)
Adjustments to shares in the parent company held by subsidiaries as treasury shares		-	-	-	-	-	-	-	(25)	(25)
Cancellation of employee restricted stock awards by a subsidiary	6(16)	-	(267)	-	-	-	-	-	-	(267)
Balance at December 31, 2025		\$ 752,760	\$ 972,420	\$ 734,346	\$ 5,597	\$ 1,676,232	(\$ 984)	(\$ 146,586)	(\$ 54,326)	\$ 3,939,459

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

ANPEC ELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,129,673	\$ 858,700
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charge	6(7)(8)(10)(25)	156,176	146,936
Amortization	6(11)(25)	23,651	23,015
Share-based payments	6(14)(26)	63,339	95,671
Net gain on financial assets at fair value through profit or loss	6(2)(23)	(7,625)	(2,642)
Investment income recognized using the equity method	6(6)	(147,388)	(93,729)
Interest income	6(21)	(37,532)	(36,692)
Interest expense	6(24)	1,738	1,866
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		4,688	(13,643)
Accounts receivable		(99,979)	(86,240)
Other receivables		(7,832)	(4,023)
Inventories		(133,838)	(2,014)
Prepayments		(926)	521
Net defined benefit assets		(3,498)	(195)
Changes in operating liabilities			
Notes payable		9	2,430
Accounts payable		24,732	(41,335)
Accounts payable - related parties		7,292	(6,879)
Other payables - related parties		72	(33)
Other payables		79,782	14,665
Other current liabilities		10,040	1,515
Cash inflow generated from operations		1,062,574	857,894
Interest received		37,532	36,692
Dividends received		68,680	44,704
Income tax paid		(127,476)	(140,339)
Interest paid		(1,738)	(1,866)
Net cash flows from operating activities		1,039,572	797,085

(Continued)

ANPEC ELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost		(\$ 1,910,040)	(\$ 1,946,808)
Decrease in financial assets at amortised cost		1,690,549	1,331,760
Acquisition of property, plant and equipment	6(29)	(138,760)	(157,611)
Acquisition of intangible assets	6(11)	(16,657)	(30,370)
Decrease (increase) in refundable deposits		355	(74)
Net cash flows used in investing activities		(374,553)	(803,103)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in guarantee deposits received	6(30)	287	(1,768)
Repayments of principal portion of lease liabilities	6(30)	(6,706)	(6,755)
Cash dividends paid	6(17)	(597,308)	(444,939)
Cash distribution from capital surplus	6(16)	(44,798)	-
Net cash flows used in financing activities		(648,525)	(453,462)
Net increase (decrease) in cash and cash equivalents		16,494	(459,480)
Cash and cash equivalents at beginning of year		431,737	891,217
Cash and cash equivalents at end of year		\$ 448,231	\$ 431,737

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

ANPEC ELECTRONICS CORPORATION
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of NTD, except as otherwise indicated)

1. History and Organization

Anpec Electronics Corporation (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in the research, development, production, manufacturing and sales of components and modules thereof, wireless and network communication IC and photoelectric driver IC.

2. The Date of Authorization for Issuance of the Financial Statements

These parent company only financial statements were authorised for issuance by the Board of Directors on February 11, 2026.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, “Lack of exchangeability”	January 1, 2025

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts for Nature-dependent Electricity”	January 1, 2026
IFRS 17, “Insurance contracts”	January 1, 2023
Amendments to IFRS 17, “Insurance contracts”	January 1, 2023
Amendments to IFRS 17, “Initial application of IFRS 17 and IFRS 9 - comparative information”	January 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(3) Effect of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, “Sale or contribution of assets between an investor and its associate or joint venture”	To be determined by International Accounting Standards Board
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS 21, “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note: The FSC announced in a press release dated September 25, 2025, that public companies shall apply International Financial Reporting Standard (IFRS) 18 (hereinafter referred to as IFRS 18) starting from the fiscal year 2028; furthermore, if an entity has a need for early adoption of IFRS 18, it may elect to apply the IFRS 18 provisions in advance after the FSC endorses the standard.

Except as stated below, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment:

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements" replaced IAS 1, updated the structure of the statement of comprehensive income, added a requirement for the disclosure of management-defined performance measures, and enhanced the aggregation and disaggregation principles that apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

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

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

(A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(B) Defined benefit assets recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollar, which is the Company's functional currency.

A. Foreign currency transactions and balances

- (A) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (B) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (C) The balance of foreign currency non-monetary assets and liabilities is measured at fair value through profit and loss (FVTPL), and is adjusted based on the spot exchange rate at the balance sheet date. The translation difference arising from the adjustment is recognized in current profit and loss. For measurement at fair value through other comprehensive income, it is adjusted based on the spot exchange rate at the balance sheet date, and the translation difference arising from the adjustment is recognized in other comprehensive income. If it is not measured by fair value, it is measured at the historical exchange rate at the initial transaction date.
- (D) All foreign exchange gains and losses are presented in the statement of comprehensive income within "other gains and losses".

B. Translation of foreign operations

The operating results and financial position of all the Company entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (A) The assets and liabilities presented at each balance sheet are translated at the closing exchange rate at the balance sheet date;
- (B) The income and expenses expressed in each comprehensive income statement are translated at the average exchange rate of the current period; and
- (C) All exchange differences arising from translation are recognized in other comprehensive income.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (A) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (B) Assets held mainly for trading purposes;
- (C) Assets that are expected to be realised within twelve months from the balance sheet date;
- (D) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

The Company classifies all assets that were not in alignment with the above conditions as non-current.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (A) Liabilities that are expected to be settled within the normal operating cycle;
- (B) Liabilities held mainly for trading purposes;
- (C) Liabilities that are to be settled within twelve months from the balance sheet date;
- (D) Liabilities with a repayment deadline that cannot be unconditionally deferred for at least twelve months after the balance sheet date.

The Company classifies all liabilities that were not in alignment with the above conditions as non-current.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. The Company adopts trade date accounting for financial assets at fair value through profit or loss for regular-way transactions.

- C. Upon the initial recognition, the Company measures relevant transaction costs at fair value and recognizes them in profit or loss, while measuring them at fair value and recognizing gain or loss thereon in profit or loss.
- D. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

- A. Those that meet all of the following criteria:
 - (A) Financial assets held under a business model for the purpose of collecting contractual cash flows;
 - (B) The assets' contractual cash flows represent solely payments of principal and interest.
- B. The Company adopts trade date accounting for financial assets at amortized cost in compliance with regular-way transactions.
- C. The Company holds time deposits that do not qualify as cash equivalents. Due to the short holding period, the impact of discounting is not material and is measured at investment amount.

(8) Accounts receivable

- A. Accounts receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

The Company, at each balance sheet date, considers all reasonable and corroborative information (including forward-looking one) based on the financial assets at amortized cost. For those with no significant increase in credit risk since initial recognition, an allowance for losses is measured at 12-month expected credit losses; for those with a significant increase in credit risk since initial recognition, an allowance for losses is measured at the lifetime expected credit losses. For accounts receivable or contract assets that do not contain a significant financial component, an allowance for losses is measured at the lifetime expected credit losses.

(10) Derecognition of financial assets

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

(11) Leasing arrangements (lessor) - lease receivables/ operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, other direct costs and related production overheads. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Investments accounted for under equity method

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Transactions, balances, and unrealized gains and losses between the Company and its subsidiaries have been eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize the losses in proportion to the ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognised in equity.

- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
- F. Pursuant to the “Rules Governing the Preparation of Financial Statements by Securities Issuers,” profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners’ equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. 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 must be depreciated separately.

- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	10 - 50 years
Machinery and equipment	3 - 10 years
Computer and telecommunication equipment	3 - 10 years
Office equipment	5 - 10 years
Leasehold improvements	5 - 6 years
Other equipment	3 - 10 years

(15) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

- (A) Fixed payments, less any lease incentives receivable; and
- (B) Variable lease payments that depend on an index or a rate; and

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (A) The amount of the initial measurement of lease liability;
- (B) 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.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(16) Investment property

Investment property is recognized at the cost of acquisition, and the subsequent measurement is based on a cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 10 - 50 years.

(17) Intangible assets

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 1 - 5 years.

(18) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(19) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(22) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(A) Defined contribution plan

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

(B) Defined benefit plan

- a. The net obligation under the defined benefit plan is calculated by discounting the amount of future benefits earned by employees in the current or past service period, with the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. The net obligation under the defined benefit plan is calculated annually by actuaries using the projected unit benefit method. The discount rate is the market yield rate of government bonds (at the balance sheet date) with the currency and period consistent with those of the defined benefit plan at the balance sheet date.
- b. The remeasurement generated by the defined benefit plan is recognized in other comprehensive income in the current period and presented in retained earnings.
- c. Expenses related to the service costs in the previous period are recognized immediately in profit or loss.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(23) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. Employee restricted stock:
- (A) The fair values of the equity instruments granted on the grant date are recognized in costs of compensation during the vesting period.
- (B) The right to participate in dividend distribution is not restricted and employees who resign during the vesting period are not required to return the dividends they have received. On the dividend declaration date, the portion of dividends belonging to any employee who is expected to resign during the vesting period is recognized as costs of compensation based on the fair values of the dividends.
- (C) Employees do not need to make a payment to acquire restricted stock awards. When an employee fails to meet the vesting conditions, unless they become disabled or dead in an occupational injury, the Company will redeem at no consideration and retire those stocks.

(24) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. Income tax on undistributed earnings is levied in accordance with the Income Tax Act. In the year following the year in which the earnings are generated, after the shareholders' meeting has approved the earnings distribution proposal, the income tax expense on undistributed earnings will be recognized based on the distribution of earnings.

- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. If the deferred income tax is derived from initial recognition of the asset or liability in a transaction (excluding business combinations), and if the accounting profit or taxable income (tax losses) is not affected at the time of the transaction, then the liabilities will not be recognized. With temporary differences caused by investment in a subsidiary or an associate, if the Company can control the timing of the reversal of the temporary differences, and it is probable that temporary differences will not be reversed in the foreseeable future, the liabilities will not be recognized. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. The carryforward portion of unused income tax credits arising from research and development expenses is recognized as a deferred tax asset to the extent that it is probable that future taxable income will be available against which the unused tax credits can be utilized.

(25) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders or Board of Directors. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

Sales of goods

- A. The Company is primarily engaged in the manufacturing and sales of products, including components and modules thereof, wireless and network communication IC, and photoelectric driver IC. Sales are recognized when control of a product has been transferred to a customer, that is, when the product is delivered to the customer, who then has the discretion to determine product distribution channels and pricing, and the Company has no unfulfilled obligations that may affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- B. Revenue from these sales is recognised based on the price specified in the contract. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Please refer to the description of critical accounting judgments, assumptions, and estimation uncertainty below:

(1) Critical judgments in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgments and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2025, the carrying amount of inventories was \$529,536.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and petty cash	\$ 133	\$ 160
Checking accounts and demand deposits	161,588	131,997
Time deposits	<u>286,510</u>	<u>299,580</u>
Total	<u>\$ 448,231</u>	<u>\$ 431,737</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. The maximum exposure to credit risk on the balance sheet date is the carrying amount of cash and cash equivalents.

B. The Company has no cash and cash equivalents pledged to others.

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

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 185,000	\$ 185,000
Valuation adjustment	<u>11,409</u>	<u>8,472</u>
Total	<u>\$ 196,409</u>	<u>\$ 193,472</u>

- A. Amounts recognised in profit in relation to financial assets at fair value through profit or loss are listed below:

	Year ended December 31	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 4,688	\$ -
Beneficiary certificates	2,937	2,642
Total	<u>\$ 7,625</u>	<u>\$ 2,642</u>

- B. The Company has no financial assets at fair value through profit or loss pledged to others as collateral.
- C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

Item	December 31, 2025	December 31, 2024
Current items:		
Time deposits maturing in excess of three months	<u>\$ 1,500,000</u>	<u>\$ 1,320,000</u>
Non-current items:		
Pledged time deposits	\$ 5,263	\$ 5,263
Corporate bonds	72,734	33,243
	<u>\$ 77,997</u>	<u>\$ 38,506</u>

- A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2025	2024
Interest income	<u>\$ 25,486</u>	<u>\$ 14,302</u>

- B. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company were \$1,577,997 and \$1,358,506, respectively.

- C. Details of the Company’s financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Company’s investments in certificates of deposits are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(4) Accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable	\$ 767,335	\$ 667,356
Less: Allowance for uncollectible accounts	-	-
	<u>\$ 767,335</u>	<u>\$ 667,356</u>

- A. The ageing analysis of accounts receivable is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 765,358	\$ 666,764
Up to 30 days	1,977	592
31 to 90 days	-	-
91 to 180 days	-	-
	<u>\$ 767,335</u>	<u>\$ 667,356</u>

The aging analysis of accounts receivable was based on past due date.

- B. As of December 31, 2025 and 2024, accounts receivable were all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to \$581,116.
- C. Without taking into account any collateral held or other credit enhancements, the maximum exposures to credit risk in respect of the amounts that best represent the Company’s accounts receivable as at December 31, 2025 and 2024 were \$767,335 and \$667,356, respectively.
- D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

December 31, 2025			
	Cost	Allowance for market value decline and loss on obsolete and slow-moving inventories	Book value
Raw materials	\$ 24,477	(\$ 5,587)	\$ 18,890
Work in progress	353,016	(15,219)	337,797
Finished goods	<u>197,558</u>	<u>(24,709)</u>	<u>172,849</u>
Total	<u>\$ 575,051</u>	<u>(\$ 45,515)</u>	<u>\$ 529,536</u>

December 31, 2024			
	Cost	Allowance for market value decline and loss on obsolete and slow-moving inventories	Book value
Raw materials	\$ 23,801	(\$ 4,996)	\$ 18,805
Work in progress	218,148	(11,236)	206,912
Finished goods	<u>185,264</u>	<u>(15,283)</u>	<u>169,981</u>
Total	<u>\$ 427,213</u>	<u>(\$ 31,515)</u>	<u>\$ 395,698</u>

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2025	2024
Cost of goods sold	\$ 2,176,709	\$ 1,798,841
Loss on market value decline and obsolete and slow-moving inventories	14,000	2,500
Others	<u>(4,657)</u>	<u>(4,911)</u>
	<u>\$ 2,186,052</u>	<u>\$ 1,796,430</u>

(6) Investments accounted for under equity method

	December 31, 2025	December 31, 2024
Sinopower Semiconductor Inc.	\$ 760,347	\$ 708,068
Anpec International Holding Ltd.	<u>46,140</u>	<u>45,073</u>
	<u>\$ 806,487</u>	<u>\$ 753,141</u>

A. For the years ended December 31, 2025 and 2024, gain on investment accounted for using the equity method were \$147,388 and \$93,729, respectively; the amounts were calculated based on the financial statements of the investees audited by CPAs.

B. Please refer to Note 4(3) to the Company's consolidated financial statements as of and for the year ended December 31, 2025.

(7) Property, plant and equipment

	Buildings and structures	Machinery and equipment	Computer and telecommunication equipment	Office equipment	Leasehold improvements	Others	Unfinished construction and equipment to be inspected	Total
<u>At January 1, 2025</u>								
Cost	\$ 436,072	\$ 274,035	\$ 70,332	\$ 5,097	\$ 2,123	\$ 762,630	\$ 20,012	\$ 1,570,301
Accumulated depreciation	(260,729)	(168,544)	(48,506)	(4,352)	(1,931)	(575,976)	-	(1,060,038)
	<u>\$ 175,343</u>	<u>\$ 105,491</u>	<u>\$ 21,826</u>	<u>\$ 745</u>	<u>\$ 192</u>	<u>\$ 186,654</u>	<u>\$ 20,012</u>	<u>\$ 510,263</u>
<u>2025</u>								
Opening net book amount as at January 1	\$ 175,343	\$ 105,491	\$ 21,826	\$ 745	\$ 192	\$ 186,654	\$ 20,012	\$ 510,263
Additions	8,702	24,576	6,861	810	-	99,061	-	140,010
Transfers	(6,046)	20,012	-	-	-	-	(20,012)	(6,046)
Depreciation charge	(5,545)	(16,609)	(6,779)	(137)	(48)	(118,861)	-	(147,979)
Closing net book amount as at December 31	<u>\$ 172,454</u>	<u>\$ 133,470</u>	<u>\$ 21,908</u>	<u>\$ 1,418</u>	<u>\$ 144</u>	<u>\$ 166,854</u>	<u>\$ -</u>	<u>\$ 496,248</u>
<u>At December 31, 2025</u>								
Cost	\$ 431,504	\$ 309,754	\$ 76,859	\$ 5,907	\$ 2,123	\$ 861,551	\$ -	\$ 1,687,698
Accumulated depreciation	(259,050)	(176,284)	(54,951)	(4,489)	(1,979)	(694,697)	-	(1,191,450)
	<u>\$ 172,454</u>	<u>\$ 133,470</u>	<u>\$ 21,908</u>	<u>\$ 1,418</u>	<u>\$ 144</u>	<u>\$ 166,854</u>	<u>\$ -</u>	<u>\$ 496,248</u>

	Buildings and structures	Machinery and equipment	Computer and telecommunication equipment	Office equipment	Leasehold improvements	Others	Unfinished construction and equipment to be inspected	Total
<u>At January 1, 2024</u>								
Cost	\$ 437,594	\$ 241,288	\$ 64,067	\$ 5,097	\$ 2,123	\$ 727,909	\$ 6,907	\$ 1,484,985
Accumulated depreciation	(256,064)	(156,151)	(42,578)	(4,233)	(1,882)	(525,862)	-	(986,770)
	<u>\$ 181,530</u>	<u>\$ 85,137</u>	<u>\$ 21,489</u>	<u>\$ 864</u>	<u>\$ 241</u>	<u>\$ 202,047</u>	<u>\$ 6,907</u>	<u>\$ 498,215</u>
<u>2024</u>								
Opening net book amount as at January 1	\$ 181,530	\$ 85,137	\$ 21,489	\$ 864	\$ 241	\$ 202,047	\$ 6,907	\$ 498,215
Additions	-	23,935	6,647	-	-	98,957	21,917	151,456
Transfers	(632)	8,812	-	-	-	-	(8,812)	(632)
Depreciation charge	(5,555)	(12,393)	(6,310)	(119)	(49)	(114,350)	-	(138,776)
Closing net book amount as at December 31	<u>\$ 175,343</u>	<u>\$ 105,491</u>	<u>\$ 21,826</u>	<u>\$ 745</u>	<u>\$ 192</u>	<u>\$ 186,654</u>	<u>\$ 20,012</u>	<u>\$ 510,263</u>
<u>At December 31, 2024</u>								
Cost	\$ 436,072	\$ 274,035	\$ 70,332	\$ 5,097	\$ 2,123	\$ 762,630	\$ 20,012	\$ 1,570,301
Accumulated depreciation	(260,729)	(168,544)	(48,506)	(4,352)	(1,931)	(575,976)	-	(1,060,038)
	<u>\$ 175,343</u>	<u>\$ 105,491</u>	<u>\$ 21,826</u>	<u>\$ 745</u>	<u>\$ 192</u>	<u>\$ 186,654</u>	<u>\$ 20,012</u>	<u>\$ 510,263</u>

(8) Leasing arrangements - lessee

- A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amounts of right-of-use assets and the depreciation expense recognized are as follows:

	December 31, 2025	December 31, 2024
	Carrying amount	Carrying amount
Land	\$ 105,374	\$ 113,752
Buildings	1,578	1,578
	<u>\$ 106,952</u>	<u>\$ 115,330</u>

	Year ended December 31	
	2025	2024
	Depreciation charge	Depreciation charge
Land	\$ 3,532	\$ 3,718
Buildings	3,788	3,741
	<u>\$ 7,320</u>	<u>\$ 7,459</u>

- C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets amounted to \$3,788 and \$3,787, respectively.
- D. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,738	\$ 1,866
Expense on short-term lease contracts	2,528	2,562

- E. For the years ended December 31, 2025 and 2024, the Company's total cash outflow for leases were \$10,972 and \$11,183, respectively.

(9) Leasing arrangements - lessor

- A. The Company leases various assets including buildings and structures. Rental contracts are made for periods of 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To secure the use of leased assets, the lessee is usually required to provide a security deposit. As of December 31, 2025, the rental security deposit collected by the Company was \$1,119.
- B. For the years ended December 31, 2025 and 2024, the Company recognised rent income in the amounts of \$7,302 and \$6,057, respectively, based on the operating lease agreement, which does not include variable lease payments.
- C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
2025	\$ -	\$ 6,009
2026	3,866	3,005
	<u>\$ 3,866</u>	<u>\$ 9,014</u>

(10) Investment property

	<u>Buildings and structures</u>
<u>At January 1, 2025</u>	
Cost	\$ 55,000
Accumulated depreciation	(32,884)
	<u>\$ 22,116</u>
<u>2025</u>	
Opening net book amount as at January 1	\$ 22,116
Transfers during this year	6,046
Depreciation charge	(877)
Closing net book amount as at December 31	<u>\$ 27,285</u>
<u>At December 31, 2025</u>	
Cost	\$ 68,269
Accumulated depreciation	(40,984)
	<u>\$ 27,285</u>

	Buildings and structures
<u>At January 1, 2024</u>	
Cost	\$ 53,478
Accumulated depreciation	(31,293)
	<u>\$ 22,185</u>
<u>2024</u>	
Opening net book amount as at January 1	\$ 22,185
Transfers during this year	632
Depreciation charge	(701)
Closing net book amount as at December 31	<u>\$ 22,116</u>
<u>At December 31, 2024</u>	
Cost	\$ 55,000
Accumulated depreciation	(32,884)
	<u>\$ 22,116</u>

A. Rental income and direct operating expenses of investment property:

	Year ended December 31	
	2025	2024
Rental income of investment property	\$ 7,302	\$ 6,057
Direct operating expenses from investment property that generated rental income during the year	(\$ 895)	(\$ 714)

B. The fair values of the investment property held by the Company as at December 31, 2025 and 2024 were \$38,890 and \$30,348 respectively, based on independent appraisal experts' valuation results. The valuation was conducted using the cost method and the income approach. The main assumptions of the income approach are as follows:

	December 31, 2025	December 31, 2024
Vacancy loss rate	2.10%	2.10%
Net income capitalization rate	4.350%	4.350%

(11) Intangible assets

	<u>Computer software</u>	
<u>At January 1, 2025</u>		
Cost	\$	160,195
Accumulated amortisation	(	118,227)
	\$	<u>41,968</u>
<u>2025</u>		
Opening net book amount as at January 1	\$	41,968
Additions - acquired separately		16,657
Amortisation charge	(	23,651)
Closing net book amount as at December 31	\$	<u>34,974</u>
<u>At December 31, 2025</u>		
Cost	\$	176,852
Accumulated amortisation	(	141,878)
	\$	<u>34,974</u>
		<u>Computer software</u>
<u>At January 1, 2024</u>		
Cost	\$	129,825
Accumulated amortisation	(	95,212)
	\$	<u>34,613</u>
<u>2024</u>		
Opening net book amount as at January 1	\$	34,613
Additions - acquired separately		30,370
Amortisation charge	(	23,015)
Closing net book amount as at December 31	\$	<u>41,968</u>
<u>At December 31, 2024</u>		
Cost	\$	160,195
Accumulated amortisation	(	118,227)
	\$	<u>41,968</u>

Details of amortisation on intangible assets are as follows:

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Selling expenses	\$ 177	\$ -
General and administrative expenses	2,086	2,787
Research and development expenses	21,388	20,228
	<u>\$ 23,651</u>	<u>\$ 23,015</u>

(12) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accrued expenses - bonus	\$ 153,100	\$ 119,460
Employees' compensation and directors' remuneration payable	207,218	157,513
Payables for machinery and equipment	20,046	18,398
Other accrued expenses	<u>77,737</u>	<u>81,300</u>
	<u>\$ 458,101</u>	<u>\$ 376,671</u>

(13) Pensions

A. (A) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(B) Amounts recognized in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	(\$ 22,761)	(\$ 35,856)
Fair value of plan assets	<u>39,814</u>	<u>47,294</u>
Net defined benefit asset	<u>\$ 17,053</u>	<u>\$ 11,438</u>

(C) Movements in net defined benefit assets are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
2025			
Balance at January 1	(\$ 35,856)	\$ 47,294	\$ 11,438
Interest (expense) income	(587)	775	188
	<u>(36,443)</u>	<u>48,069</u>	<u>11,626</u>
Remeasurements:			
Return on plan asset (excluding amounts included in interest income or expenses)	-	3,278	3,278
Effect of change in financial assumptions	(941)	-	(941)
Experience adjustments	(220)	-	(220)
	<u>(1,161)</u>	<u>3,278</u>	<u>2,117</u>
Pensions paid	14,843	(11,533)	3,310
Balance at December 31	<u>(\$ 22,761)</u>	<u>\$ 39,814</u>	<u>\$ 17,053</u>
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
2024			
Balance at January 1	(\$ 40,246)	\$ 43,513	\$ 3,267
Interest (expense) income	(500)	541	41
	<u>(40,746)</u>	<u>44,054</u>	<u>3,308</u>
Remeasurements:			
Return on plan asset (excluding amounts included in interest income or expenses)	-	3,874	3,874
Effect of change in financial assumptions	1,604	-	1,604
Experience adjustments	2,498	-	2,498
	<u>4,102</u>	<u>3,874</u>	<u>7,976</u>
Pensions paid	788	(634)	154
Balance at December 31	<u>(\$ 35,856)</u>	<u>\$ 47,294</u>	<u>\$ 11,438</u>

- (D) The Bank of Taiwan is commissioned to manage the fund of the Company's defined benefit pension plan assets in accordance with the percentages and amounts of items as stipulated in the fund's annual investment and utilization plan and Article 6 of the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (i.e., deposits in domestic and foreign financial institutions, investments in domestic and overseas listed equity securities or equity securities through private placement, or investments in domestic and overseas securitized products backed by real estate assets). The relevant uses of the fund is supervised by the Labor Funds Supervisory Committee. With regard to the use of the fund, its minimum earnings in the distributions of the annual financial statements may not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If there is a deficiency, it needs to be made up for from the national treasury after approval by the competent authority. The Company has no right to participate in managing and operating the said fund, hence the Company is unable to disclose the classification of the fair value of the plan asset in accordance with paragraph 142 of IAS 19. The fair values of the compositions of the plan asset as of December 31, 2025 and 2024, are available in the Annual Labor Retirement Fund Utilization Report announced by the government.
- (E) The actuarial assumptions relating to pensions are as follows:

	Year ended December 31	
	2025	2024
Discount rate	1.40%	1.65%
Future salary increases	4.00%	4.00%

The assumptions for the future mortality rate are estimated based on the statistics and experiences disclosed in the 6th Taiwan Standard Ordinary Experience Mortality Table.

The analysis of the present values of defined benefit obligations affected by changes in the main actuarial assumptions adopted is as follows:

	Discount rate				Future salary increases	
	Increase by 0.25%	Increase by 0.10%	Decrease by 0.25%	Decrease by 0.10%	Increase by 0.25%	Decrease by 0.25%
December 31, 2025						
Effect on present value of defined benefit obligation	(\$ 584)	(\$ 236)	\$ 606	\$ 240	\$ 589	(\$ 571)
December 31, 2024						
Effect on present value of defined benefit obligation	(\$ 941)	(\$ 380)	\$ 976	\$ 386	\$ 951	(\$ 922)

The sensitivity analysis above is based on the effect of a single assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change at the same time. The method of analyzing sensitivity and the method of calculating the net pension liability in the balance sheet are the same.

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

- (F) The Company plans to contribute \$0 to the pension plan in the coming year.
- B. (A) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company makes monthly contribution based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (B) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2025 and 2024 were \$17,454 and \$17,215, respectively.

(14) Share-based payment

- A. For the years ended December 31, 2025 and 2024, the Company’s share-based payment arrangements are as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Restricted stocks to employees	2023.08.09	579	2 years	1 year vested 50% 2 years vested 50%
Restricted stocks to employees	2024.02.26	408	2 years	1 year vested 50% 2 years vested 50%
Restricted stocks to employees	2024.11.11	130	2 years	1 year vested 50% 2 years vested 50%
Restricted stocks to employees	2025.11.12	625	2 years	1 year vested 50% 2 years vested 50%

Restricted stock awards issued by the Company cannot be transferred until the vesting conditions are met, but voting rights and the right to participate in dividend distribution are not restricted. If the employees are disabled or dead before meeting the vesting conditions, which was not due to the occupational injury, the Company will redeem at no consideration and retire those stocks. Employees are not required to return the dividends received.

- B. The Board of Directors on August 9, 2023 has resolved to issue employee restricted stock of 579 thousand shares with par value of \$10 (in dollars) at an issuance price of \$0 (without consideration), and the measurement of fair value was based on the closing price of company stock on grant date amounting to NT\$125 (in dollars).

The Board of Directors on February 26, 2024 has resolved to issue employee restricted stock of 408 thousand shares with par value of \$10 (in dollars) at an issuance price of \$0 (without consideration), and the measurement of fair value was based on the closing price of company stock on grant date amounting to NT\$218 (in dollars).

The Board of Directors on November 11, 2024 has resolved to issue employee restricted stock of 130 thousand shares with par value of \$10 (in dollars) at an issuance price of \$0 (without consideration), and the measurement of fair value was based on the closing price of company stock on grant date amounting to NT\$171.5 (in dollars).

The Board of Directors on November 12, 2025 has resolved to issue employee restricted stock of 625 thousand shares with par value of \$10 (in dollars) at an issuance price of \$0 (without consideration), and the measurement of fair value was based on the closing price of company stock on grant date amounting to NT\$235.5 (in dollars).

The number of outstanding shares of the above-mentioned restricted stock is adjusted as follows:

	Year ended December 31	
	2025	2024
	Number of shares (in thousands)	Number of shares (in thousands)
Balance at the beginning of the year	805	575
Issued during the year	625	538
Vested during the year	(535)	(277)
Retrieved during the year	(13)	(31)
Balance at the end of the year	<u>882</u>	<u>805</u>

- C. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31	
	2025	2024
Equity-settled	<u>\$ 63,339</u>	<u>\$ 95,671</u>

(15) Share capital

- A. As of December 31, 2025, the Company's authorised capital was \$1,800,000 consisting of 180,000 thousand shares of ordinary stock (including employee stock options, preferred shares with warrants and convertible bonds issued by the Company, amounting to 6,000 thousand shares), and the paid-in capital was \$752,760 with a par value of \$10 (in dollars) per share.

Movements in the number of the Company's ordinary shares outstanding are as follows:

(Expressed in thousands of shares)

	Year ended December 31	
	2025	2024
Outstanding ordinary shares at January 1	73,802	73,295
Issuance of employee restricted stocks	625	538
Employee restricted shares recovered and retired	(13)	(31)
Number of shares purchased by a subsidiary in its parent company	(403)	-
Outstanding ordinary shares at December 31	74,011	73,802
Treasury stocks	1,265	1,347
Issued shares at December 31	<u>75,276</u>	<u>75,149</u>

B. Treasury stocks

- (A) Reason for share repurchases and the number of the Company's treasury stocks are as follows:

Name of company holding the shares	Reason for repurchases	December 31, 2025	
		Number of shares (thousands of shares)	Book value
Subsidiary - Sinopower Semiconductor Inc.	In consideration of business strategies	1,265	<u>\$ 54,326</u>

Name of company holding the shares	Reason for repurchases	December 31, 2024	
		Number of shares (thousands of shares)	Book value
The Company	To be transferred to employees	485	\$ 33,148
Subsidiary - Sinopower Semiconductor Inc.	In consideration of business strategies	862	<u>24,526</u>
			<u>\$ 57,674</u>

- (B) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury stock should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.
- (C) Pursuant to the R.O.C. Securities and Exchange Act, treasury stocks should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (D) Pursuant to the R.O.C. Securities and Exchange Act, treasury stocks should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury stocks to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- (E) The subsidiary, Sinopower Semiconductor Inc., whose shares are less than 50% held by the Company but was substantially controlled by the Company, due to business strategies acquired the Company's shares, which were treated as treasury stocks. The costs of the treasury stocks were calculated based on the carrying amount of the Company's shares held by Sinopower Semiconductor Inc. in each period and the share ownership of Sinopower Semiconductor Inc. held by the Company. As of December 31, 2025 and 2024, Sinopower Semiconductor Inc. held 1,265 thousand shares and 862 thousand shares of the Company's stock, respectively, at the average book value per share of NT\$100.76 (in dollars) and NT\$66.79 (in dollars), and the fair value per share was NT\$216 (in dollars) and NT\$171 (in dollars), respectively.

(16) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

The Board of Directors of the Company resolved on February 21, 2025, to distribute NT\$44,798 from the capital surplus, derived from the premium received from shares issued in excess of par value, in cash to shareholders at NT\$0.6 (in dollars) per share.

The Board of Directors of the Company resolved on February 11, 2026, to distribute NT\$60,221 from the capital surplus, derived from the premium received from shares issued in excess of par value, in cash to shareholders at NT\$0.8 (in dollars) per share.

2025

	Share premium	Treasury stock	Employee restricted stock	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Others	Total
At January 1	\$ 384,819	\$ 28,775	\$ 135,448	\$ 279,915	\$ 50,489	\$ 22,856	\$ 902,302
Cash distribution from capital surplus	(44,798)	-	-	-	-	-	(44,798)
Dividend income received by subsidiary from the parent company recognized in proportion to ownership	-	4,539	-	-	-	-	4,539
Cancellation of treasury stock	(2,460)	(25,838)	-	-	-	-	(28,298)
Issuance of employee restricted shares	-	-	140,938	-	-	-	140,938
Employee restricted shares vested	83,019	-	(83,019)	-	-	-	-
Employee restricted shares retired	-	-	(1,996)	-	-	-	(1,996)
Cancellation of employee restricted stock awards by a subsidiary	-	-	-	-	(267)	-	(267)
At December 31	<u>\$ 420,580</u>	<u>\$ 7,476</u>	<u>\$ 191,371</u>	<u>\$ 279,915</u>	<u>\$ 50,222</u>	<u>\$ 22,856</u>	<u>\$ 972,420</u>

2024

	Share premium	Treasury stock	Employee restricted stock	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Others	Total
At January 1	\$ 352,964	\$ 26,574	\$ 66,125	\$ 279,915	\$ 46,788	\$ 22,856	\$ 795,222
Dividend income received by subsidiary from the parent company recognized in proportion to ownership	-	2,201	-	-	-	-	2,201
Issuance of employee restricted shares	-	-	105,859	-	-	-	105,859
Employee restricted shares vested	31,855	-	(31,855)	-	-	-	-
Employee restricted shares retired	-	-	(4,681)	-	-	-	(4,681)
Restricted stock awards issued by subsidiary	-	-	-	-	3,701	-	3,701
At December 31	<u>\$ 384,819</u>	<u>\$ 28,775</u>	<u>\$ 135,448</u>	<u>\$ 279,915</u>	<u>\$ 50,489</u>	<u>\$ 22,856</u>	<u>\$ 902,302</u>

(17) Retained earnings

- A. Under the Company's Articles of Incorporation, 10% of current year's earnings, if any, after paying all taxes and dues and covering prior years' losses, shall be appropriated as legal reserve. After that, special reserve shall be set appropriated or reversed in accordance with the related laws or the regulations when needed. The remaining earnings shall be proposed as the dividend or bonus distribution by the Board of Directors and resolved by the shareholders. In accordance with Article 240 of the Company Act, the Company may authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting. The provisions of the resolution of the shareholders during their meeting are not applicable.
- B. The Company's dividend policy is summarised below: To meet future capital requirements and long-term financial plan, and meeting shareholders' needs for cash inflows, earnings can be distributed to shareholders as dividends. Cash dividends shall account for at least 10% of the total dividends distributed, provided that the type and rate of such dividends may be adjusted by resolution of the shareholders during their meeting depending on the actual net income and funds status.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. When the Company adopted IFRSs for the first time in 2013, a special reserve of \$5,597 was provided at the same amount according to the exemptions regulation of IFRS 1 elected by the Company to transfer the cumulative translation effect to the retained earnings portion at the transition date.

- E. The appropriation of 2025 earnings as resolved by the Board of Directors on February 11, 2026 and the appropriation of 2024 earnings as resolved by the shareholders' meeting on June 23, 2025, are as follows:

	Year ended December 31			
	2025 (Note)		2024	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 95,293		\$ 72,647	
Cash dividends	<u>767,815</u>	\$ 10.20	<u>597,308</u>	\$ 8.00
Total	<u>\$ 863,108</u>		<u>\$ 669,955</u>	

Note: The aforementioned appropriations of 2025 earnings had not yet been resolved at the shareholders' meeting.

(18) Other equity items

	2025		
	Foreign currency translation	Unearned employee compensation	Total
At January 1	(\$ 1,117)	(\$ 64,858)	(\$ 65,975)
Issuance of employee restricted shares	-	(147,188)	(147,188)
Compensation cost of employee restricted shares	-	63,339	63,339
Employee restricted shares retired	-	2,121	2,121
Currency translation differences	<u>133</u>	<u>-</u>	<u>133</u>
At December 31	<u>(\$ 984)</u>	<u>(\$ 146,586)</u>	<u>(\$ 147,570)</u>

	2024		
	Foreign currency translation	Unearned employee compensation	Total
At January 1	(\$ 2,378)	(\$ 54,281)	(\$ 56,659)
Employee restricted shares retired	-	4,991	4,991
Issuance of employee restricted shares	-	(111,239)	(111,239)
Compensation cost of employee restricted shares	-	95,671	95,671
Currency translation differences	<u>1,261</u>	<u>-</u>	<u>1,261</u>
At December 31	<u>(\$ 1,117)</u>	<u>(\$ 64,858)</u>	<u>(\$ 65,975)</u>

(19) Operating revenue

	Year ended December 31	
	2025	2024
Revenue from contracts with customers		
-Power converter and management IC	\$ 1,948,779	\$ 1,700,811
-Amplifier and Driver IC	2,173,974	1,696,903
Total	<u>\$ 4,122,753</u>	<u>\$ 3,397,714</u>

(20) Other income and expenses, net

	Year ended December 31	
	2025	2024
Other income		
Rental revenue	\$ 7,302	\$ 6,057
Other expenses		
Depreciation charge	(876)	(701)
Others	(19)	(13)
Total	<u>\$ 6,407</u>	<u>\$ 5,343</u>

(21) Interest income

	Year ended December 31	
	2025	2024
Interest income from bank deposits	\$ 12,046	\$ 22,390
Interest income from financial assets at amortised cost	25,486	14,302
	<u>\$ 37,532</u>	<u>\$ 36,692</u>

(22) Other income

	Year ended December 31	
	2025	2024
Rental revenue	\$ 672	\$ 826
Other income, others	6,949	2,800
	<u>\$ 7,621</u>	<u>\$ 3,626</u>

(23) Other gains and losses

	Year ended December 31	
	2025	2024
Net foreign exchange gains	\$ 20,085	\$ 62,454
Gain on financial assets (liabilities) at fair value through profit or loss	7,625	2,642
Miscellaneous disbursements	(204)	(10,239)
Total	<u>\$ 27,506</u>	<u>\$ 54,857</u>

(24) Finance costs

	Year ended December 31	
	2025	2024
Interest expense on lease liabilities	<u>\$ 1,738</u>	<u>\$ 1,866</u>

(25) Expenses by nature

	Year ended December 31	
	2025	2024
Employee benefit expenses	\$ 760,164	\$ 672,939
Depreciation charge	156,176	146,936
Amortisation charge	<u>23,651</u>	<u>23,015</u>
Total	<u>\$ 939,991</u>	<u>\$ 842,890</u>

(26) Employee benefit expense

	Year ended December 31	
	2025	2024
Wages and salaries	\$ 598,317	\$ 488,678
Share-based payment	63,339	95,671
Labour and health insurance fees	34,069	32,186
Pension costs	17,454	17,215
Directors' remuneration	27,738	21,094
Other employee benefit expenses	<u>19,247</u>	<u>18,095</u>
Total	<u>\$ 760,164</u>	<u>\$ 672,939</u>

- A. In accordance with the Articles of Incorporation of the Company, the Company should distribute the employees' compensation and directors' remuneration in the following method, based on the current year's pre-tax profit excluding employees' compensation and directors' remuneration distributed.
- (A) Employees' compensation is allocated at 10% to 25%, with not less than 5% of the total employees' compensation allocated for distribution to entry-level employees.
- (B) Distribute directors' remuneration not higher than 3%
- B. For the years ended December 31, 2025 and 2024, the estimated amounts of employees' compensation and directors' remuneration accrued amounts are as follows:

	Year ended December 31	
	2025	2024
Employees' compensation	\$ 180,480	\$ 137,189
Directors' remuneration	\$ 26,738	\$ 20,324

The aforementioned amounts were recognised in salary expenses based on distributable profit of current period for the years ended December 31, 2025 and 2024.

Employees' compensation and directors' remuneration for 2025 and 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2025 and 2024 financial statements, and the employees' compensation and directors' remuneration will be both distributed in the form of cash.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expense

(A) Components of income tax expense:

	Year ended December 31	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 175,611	\$ 139,081
Overestimation of income taxes for prior years	(774)	(4,615)
Tax on undistributed surplus earnings	2,826	766
Total current tax	177,663	135,232
Deferred tax:		
Origination and reversal of temporary differences	774	3,375
Total deferred tax	774	3,375
Income tax expense	\$ 178,437	\$ 138,607

(B) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2025	2024
Currency translation differences	\$ 33	\$ 307
Remeasurement of defined benefit obligation	423	1,595
Total	\$ 456	\$ 1,902

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2025	2024
Income tax calculated by applying statutory rate to the profit before tax	\$ 206,620	\$ 161,866
Effect on tax items that are tax-exempt according to tax regulations	(30,235)	(19,410)
Overestimation of income taxes for prior years	(774)	(4,615)
Tax on undistributed surplus earnings	2,826	766
Income tax expense	\$ 178,437	\$ 138,607

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

2025

	January 1	Recognised in profit or loss	Recognized in other comprehensive income, net	December 31
Temporary differences:				
- Deferred income tax assets:				
Loss on reversal of market value decline and obsolete and slow-moving inventories	\$ 6,303	\$ 2,800	\$ -	\$ 9,103
Inventory from overseas warehouses deemed as gross profit	9,712	(642)	-	9,070
Defined benefit plan	1,184	(1,030)	(423)	(269)
Unused compensated absences	399	456	-	855
Unrealised exchange loss	690	(69)	-	621
Investment loss	15,273	(1,666)	-	13,607
Compensation loss	1,039	-	-	1,039
Subtotal	<u>34,600</u>	<u>(151)</u>	<u>(423)</u>	<u>34,026</u>
- Deferred income tax liabilities:				
Unrealised exchange gain	(2,568)	(35)	-	(2,603)
Exchange differences arising from translation of financial statements of foreign operations	(1,113)	-	(33)	(1,146)
Gains on financial asset valuation	(1,694)	(588)	-	(2,282)
Subtotal	<u>(5,375)</u>	<u>(623)</u>	<u>(33)</u>	<u>(6,031)</u>
Total	<u>\$ 29,225</u>	<u>(\$ 774)</u>	<u>(\$ 456)</u>	<u>\$ 27,995</u>

2024

	January 1	Recognised in profit or loss	Recognized in other comprehensive income, net	December 31
Temporary differences:				
- Deferred income tax assets:				
Loss on reversal of market value decline and obsolete and slow-moving inventories	\$ 9,397	(\$ 3,094)	\$ -	\$ 6,303
Inventory from overseas warehouses deemed as gross profit	8,693	1,019	-	9,712
Defined benefit plan	2,665	114	(1,595)	1,184
Unused compensated absences	554	(155)	-	399
Investment loss	15,131	142	-	15,273
Unrealised exchange loss	1,944	(1,254)	-	690
Compensation loss	277	762	-	1,039
Subtotal	<u>38,661</u>	<u>(2,466)</u>	<u>(1,595)</u>	<u>34,600</u>
- Deferred income tax liabilities:				
Unrealised exchange gain	(1,916)	(652)	-	(2,568)
Exchange differences arising from translation of financial statements of foreign operations	(806)	-	(307)	(1,113)
Gains on financial asset valuation	(1,437)	(257)	-	(1,694)
Subtotal	<u>(4,159)</u>	<u>(909)</u>	<u>(307)</u>	<u>(5,375)</u>
Total	<u>\$ 34,502</u>	<u>(\$ 3,375)</u>	<u>(\$ 1,902)</u>	<u>\$ 29,225</u>

D. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(28) Earnings per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 951,236	72,969	\$ 13.04
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 951,236	72,969	
Less: Assumed conversion of all dilutive potential ordinary shares issued by the investment company accounted for using equity method	(2,479)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	940	
Employee restricted stock	-	478	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 948,757	74,387	\$ 12.75

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 720,093	72,824	\$ 9.89
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 720,093	72,824	
Less: Assumed conversion of all dilutive potential ordinary shares issued by the investment company accounted for using equity method	(1,155)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	870	
Employee restricted stock	-	645	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 718,938	74,339	\$ 9.67

(29) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	2025	2024
Purchase of property, plant and equipment	\$ 140,010	\$ 151,456
Add: Ending balance of prepayments for equipment	398	-
Add: Opening balance of payable on equipment	18,398	26,458
Less: Opening balance of prepayments for equipment	- (	1,905)
Less: Ending balance of payable on equipment	(20,046)	(18,398)
Cash paid during the year	<u>\$ 138,760</u>	<u>\$ 157,611</u>

(30) Changes in liabilities from financing activities

	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2025	\$ 52,800	\$ 120,574	\$ 173,374
Changes in cash flow from financing activities	287 (	8,444)	(8,157)
Changes in other non-cash items	-	680	680
At December 31, 2025	<u>\$ 53,087</u>	<u>\$ 112,810</u>	<u>\$ 165,897</u>

	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2024	\$ 54,568	\$ 134,527	\$ 189,095
Changes in cash flow from financing activities	(1,768)	(8,621)	(10,389)
Changes in other non-cash items	- (	5,332)	(5,332)
At December 31, 2024	<u>\$ 52,800</u>	<u>\$ 120,574</u>	<u>\$ 173,374</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Sinopower Semiconductor Inc.	Subsidiary with a 42.62% stake held by the Company
Supec (Suzhou) Co., Ltd.	Subsidiary with a stake indirectly held by the Company

(2) Significant related party transactions

A. Purchases

	Year ended December 31	
	2025	2024
Subsidiary	\$ 40,008	\$ 24,018

The prices of the above purchases are based on the agreements between the two parties. The payment terms are net 60 days end of the month; general suppliers' payment terms are net 15 to 90 days end of the month.

B. Payables to related parties

	December 31, 2025	December 31, 2024
Accounts payable:		
Subsidiary	\$ 9,656	\$ 2,364
Other payables:		
Subsidiary	394	322
Total	\$ 10,050	\$ 2,686

C. Leasing arrangements - lessor

(A) Advance receipts

	December 31, 2025	December 31, 2024
Subsidiary	\$ 609	\$ 501

(B) Guarantee deposits received

	December 31, 2025	December 31, 2024
Subsidiary	\$ 1,119	\$ 832

(C) Other income (rental revenue)

	Year ended December 31	
	2025	2024
Subsidiary	\$ 7,302	\$ 6,057

D. Other income

	Year ended December 31	
	2025	2024
Subsidiary	\$ 2,865	\$ 2,064

E. Commissions expense

	Year ended December 31	
	2025	2024
Subsidiary	\$ 34,611	\$ 30,605

(3) Key management compensation

	Year ended December 31	
	2025	2024
Salaries and other short-term employee benefits	\$ 68,315	\$ 45,417
Post-employment benefits	269	213
Share-based payments	19,947	17,250
Total	\$ 88,531	\$ 62,880

A. Salaries and other short-term employee benefits includes salaries, functions-related allowances, employee compensation, various allowances and bonuses, etc. Except for the employees' compensation and year-end bonuses which were estimated, others were paid actual amounts.

B. Post-employment benefits arose from pensions.

8. Pledged Assets

The details of the assets provided by the Company as collateral are as follows:

Assets	Book value		Purpose
	December 31, 2025	December 31, 2024	
Time deposits (shown as "Non-Current financial assets at amortised cost")	\$ 5,263	\$ 5,263	Guarantee deposits for land lease

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

None.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

(1) The Company's Board of Directors approved an earnings distribution proposal by resolution on February 11, 2026. Please refer to Note 6(17) for details.

(2) The Company's Board of Directors approved the proposal for cash distribution from the capital surplus by resolution on February 11, 2026. Please refer to Note 6(16) for details.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain a healthy capital base, the Company considers future operating capital needs, capital expenditures and dividend expenditures through financial analysis, monitoring the Company's capital structure in order to fulfill capital management objectives.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 196,409	\$ 193,472
Financial assets at amortised cost		
Cash and cash equivalents	448,231	431,737
Financial assets at amortised cost	1,577,997	1,358,506
Accounts receivable	767,335	667,356
Other receivables	24,179	16,347
Guarantee deposits paid	4,660	5,015
	<u>\$ 3,018,811</u>	<u>\$ 2,672,433</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Notes payable	\$ 3,591	\$ 3,582
Accounts payable (including related parties)	240,218	208,194
Other payable (including related parties)	458,495	376,993
Guarantee deposits received	53,087	52,800
	<u>\$ 755,391</u>	<u>\$ 641,569</u>
Lease liabilities	<u>\$ 112,810</u>	<u>\$ 120,574</u>

B. Risk management policies

(A) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

(B) Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department identifies, evaluates and hedges financial risks. The Board provides written principles for written policies covering specific areas and matters, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(A) Market risk

Foreign exchange risk

a. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

b. Management has set up a policy for the Company to manage its foreign exchange risk against its functional currency. The Company's finance department hedges by using capital requirements of various currencies and foreign currency assets and certain net liabilities.

- c. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2025			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 26,329	31.42	\$ 827,257
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	8,070	31.42	253,559
December 31, 2024			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 23,494	32.78	\$ 770,133
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	6,742	32.78	221,003

- d. The unrealized exchange gains arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024, amounted to \$10,060 and \$9,404, respectively.

- e. Analysis of foreign currency market risk arising from significant foreign exchange variation:

		Year ended December 31, 2025		
		Sensitivity analysis		
		Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 8,273	\$ -
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	2,536	-
		Year ended December 31, 2024		
		Sensitivity analysis		
		Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 7,701	\$ -
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	2,210	-

Price risk

- a. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- b. The Company's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$1,964 and \$1,935, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

(B) Credit risk

- a. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. It mainly arises from the counterparties' failure to settle accounts receivable based on the agreed terms and financial instruments classified as measured at amortised cost.
- b. The Company manages its credit risk taking into consideration the entire Company's concern. For banks and financial institutions, only independently rated parties with optimise credit quality are accepted. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the finance department. The utilisation of credit limits is regularly monitored.
- c. The Company adopts the assumptions under IFRS 9, that is, the default occurs when the contract payments are past due over 180 days.
- d. The Company applies the following assumption under IFRS 9 to determine whether there has been a significant increase in the credit risk of a financial instrument since its initial recognition:
 - (a) When contractual payments are more than 30 days past due, a financial asset is considered to have had a significant increase in credit risk since its initial recognition.
 - (b) Bond investments traded on the Taipei Exchange with an investment-grade rating from any external credit rating agency at the balance sheet date are considered to have low credit risk.
- e. The indicators used by the Company to determine that a debt instrument investment is credit-impaired are as follows:
 - (a) The issuer is experiencing significant financial difficulty, or there is a high probability that it will enter bankruptcy or other financial restructuring;
 - (b) The active market for the financial asset has disappeared due to the issuer's financial difficulties;
 - (c) The issuer is delinquent on or failing to repay interest or principal;
 - (d) There are adverse changes in national or regional economic conditions related to the issuer's default.

- f. The Company classifies customers' accounts receivable in accordance with customer types. The Company applies the modified approach using a provision matrix based on the loss rate methodology to estimate expected credit loss.
- g. Please refer to Note 6(4) for the aging analysis of the Company's accounts receivable from customers. The Company takes into account each transaction counterparty's financial position and past transaction experience, current economic environment, and the Company's internal rating standards, while taking advantage of the right for prepayments or provision of collateral or other guarantees according to the risk. The Company groups accounts receivable from customers according to their risk characteristics and estimates expected credit losses using a simplified approach based on the loss ratio method, while reviewing the recoverable amount of the accounts receivable one by one on the balance sheet date to ensure that impairment losses have been recognized as appropriate for unrecoverable accounts receivable. With that, the Company had no allowance for losses recognized as of December 31, 2025 and 2024.
- h. The information on the credit risks of the debt instruments invested in by the Company and measured at amortised cost is as follows:

		December 31, 2025			
		Lifetime			
		12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost					
Group 1		\$ 1,505,263	\$ -	\$ -	\$ 1,505,263
Group 2		72,734	-	-	72,734
		<u>\$ 1,577,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,577,997</u>
		December 31, 2024			
		Lifetime			
		12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost					
Group 1		\$ 1,325,263	\$ -	\$ -	\$ 1,325,263
Group 2		33,243	-	-	33,243
		<u>\$ 1,358,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,358,506</u>

Group 1: They are time deposits with an initial duration of more than three months with financial institutions with good credit quality.

Group 2: Those rated as A by S&P, Fitch, or Moody.

(C) Liquidity risk

- a. Cash flow forecasting is performed by the finance department of the Company. The Company's finance department monitors rolling forecasts of the liquidity requirements of each department to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times. The Company's undrawn borrowing facilities as of December 31, 2025 and 2024 were both \$360,000.
- b. The Company invests surplus cash in interest bearing current accounts, time deposits and marketable securities (bonds and funds), and the chooses instruments with appropriate maturities or sufficient liquidity.
- c. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed below are the contractual undiscounted cash flows.

December 31, 2025

<u>Non-derivative financial liabilities</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Book value</u>
Notes payable	\$ 3,591	\$ -	\$ 3,591
Accounts payable (including related parties)	240,218	-	240,218
Other payables (including related parties)	458,495	-	458,495
Guarantee deposits received	-	53,087	53,087
Lease liabilities	6,220	133,527	139,747

December 31, 2024

<u>Non-derivative financial liabilities</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Book value</u>
Notes payable	\$ 3,582	\$ -	\$ 3,582
Accounts payable (including related parties)	208,194	-	208,194
Other payables (including related parties)	376,993	-	376,993
Guarantee deposits received	-	52,800	52,800
Lease liabilities	6,406	143,722	150,128

- d. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in beneficiary certificates and derivative instruments with quoted market prices is included in Level 1.

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.

B. Please refer to Note 6(10) for information on the fair values of investment property measured at cost.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(A) The related information on the nature of the assets and liabilities is as follows:

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	\$ 196,409	\$ -	\$ -	\$ 196,409
Total	<u>\$ 196,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,409</u>

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	\$ 193,472	\$ -	\$ -	\$ 193,472
Total	<u>\$ 193,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,472</u>

(B) The methods and assumptions the Company used to measure fair value are as follows:

- a. The instruments the Company used market quoted prices as their fair values (that is, Level 1), closed-end fund is based on the closing price and the open-end fund is based on the net assets value as the fair value.
- b. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.

D. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2025 and 2024, there was no transfer into or out from Level 3.

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Significant marketable securities held at the end of the year (excluding investments in subsidiaries, associates, and joint venture equity): Please refer to Table 1.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- F. Business relationships and significant transaction activities between the parent company and subsidiaries: Please refer to Table 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 3.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 4.

B. The significant transactions between the Company and the Mainland China investees:

(A) The Company entered into the sales agent contract with Supec (Suzhou) Co., Ltd., a subsidiary of Supec International Holding Ltd. Under the contract, the Company's commission expense was calculated based on 5% of the monthly sales volume in Mainland China. For the years ended December 31, 2025 and 2024, the commission expense amounted to \$34,611 and \$30,605, respectively.

(B) As of December 31, 2025 and 2024, the balance of other payables to Supec (Suzhou) Co., Ltd. were \$394 and \$322, respectively.

14. Segment Information

Not applicable.

Anpec Electronics Corporation
Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures)
December 31, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 1

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Anpec Electronics Corporation	Stocks, Bigbest Solutions, Inc.	None	Financial assets at fair value through profit or loss	646,800	\$ -	0.924	\$ -	
Anpec Electronics Corporation	Stocks, Grenergy, Inc.	None	Financial assets at fair value through profit or loss	223,157	-	2.79	-	
Anpec Electronics Corporation	Beneficiary certificates, Fubon Money Market Fund	None	Financial assets at fair value through profit or loss	4,752,467.34	74,655	Not applicable	74,655	
Anpec Electronics Corporation	Beneficiary certificates, Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss	6,049,040.46	80,315	Not applicable	80,315	
Anpec Electronics Corporation	Beneficiary certificates, TCB Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	1,954,193.70	20,930	Not applicable	20,930	
Anpec Electronics Corporation	Beneficiary certificates, Franklin Templeton Sinoam Money Market Fund	None	Financial assets at fair value through profit or loss	1,873,132.73	20,509	Not applicable	20,509	
Anpec Electronics Corporation	Corporate bonds, JPMorgan Chase & Co.	None	Financial assets at amortised cost	-	12,694	Not applicable	12,967	
Anpec Electronics Corporation	Corporate bonds, E.SUN Commercial Bank, Ltd	None	Financial assets at amortised cost	-	40,000	Not applicable	40,000	
Anpec Electronics Corporation	Corporate bonds, Mercuries Life Insurance Co., Ltd.	None	Financial assets at amortised cost	-	20,040	Not applicable	20,040	
Sinopower Semiconductor Inc.	Stocks, Anpec Electronics Corporation	Parent company	Financial assets at fair value through other comprehensive income	1,265,088	273,259	1.68	273,259	Note
Sinopower Semiconductor Inc.	Corporate bonds, E.SUN Commercial Bank, Ltd	None	Financial assets at amortised cost	-	20,000	Not applicable	20,000	
Sinopower Semiconductor Inc.	Corporate bonds, Mercuries Life Insurance Co., Ltd.	None	Financial assets at amortised cost	-	20,040	Not applicable	20,040	

Note: The stocks of the Company held by SINOPOWER SEMICONDUCTOR INC. are accounted for as treasury stocks.

Anpec Electronics Corporation
Significant inter-company transactions during the reporting period
For the year ended December 31, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 2

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Anpec Electronics Corporation	Supec (Suzhou) Co., Ltd.	1	Commissions expense	\$ 34,611	Based on the agreed sales agency contracts	0.46%
0	Anpec Electronics Corporation	Supec (Suzhou) Co., Ltd.	1	Other payables	394	Based on the price lists in force and terms that would be available to third parties	0.01%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Purchases	40,008	The payment term was 60 days after monthly closing	0.53%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Accounts payable	9,656	The payment term was 60 days after monthly closing	0.14%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Guarantee deposits received	1,119	Based on the price lists in force and terms that would be available to third parties	0.02%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Other income	7,302	Based on the price lists in force and terms that would be available to third parties	0.10%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Advance receipts	609	Based on the price lists in force and terms that would be available to third parties	0.01%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Other income	2,865	Based on the price lists in force and terms that would be available to third parties	0.04%
1	Sinopower Semiconductor Inc.	Anpec Electronics Corporation	2	Right-of-use assets	3,114	Based on the price lists in force and terms that would be available to third parties	0.05%
1	Sinopower Semiconductor Inc.	Anpec Electronics Corporation	2	Lease liabilities	2,610	Based on the price lists in force and terms that would be available to third parties	0.04%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is "0".
- (2) The subsidiaries are numbered in order starting from "1".

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has disclosed a transaction with a subsidiary, the subsidiary does not need to disclose the same transaction again; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Anpec Electronics Corporation
Information on investees
For the year ended December 31, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 3

Name of investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at the end of the year			Net profit (loss) of the investee for the year ended December 31, 2025 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 2(3))	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Anpec Electronics Corporation	Anpec International Holding Ltd.	British Virgin Islands	Investment	\$ 98,998	\$ 98,998	3,000,500	100	\$ 46,140	\$ 901	\$ 901	Subsidiary
Anpec Electronics Corporation	Sinopower Semiconductor Inc.	Taiwan	Research, design, manufacturing and sales of power IC, high voltage IC and its module	135,061	135,061	15,965,615	42.62	760,347	354,432	146,487	Subsidiary
Anpec International Holding Ltd.	Supec International Holding Ltd.	Mauritius	Investment	98,998	98,998	10,001,667	100	46,146	901	901	Indirect subsidiary

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of "Investee", "Location", "Main business activities", "Initial investment amount", and "Shares held as at the end of the year" should be entered orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and each of its investees (e.g. a subsidiary or a sub-subsubsidiary) in the "Remarks" column.
- (2) The "Net profit (loss) of the investee for the year ended December 31, 2025" column should fill in amount of net profit (loss) of the investee for this period.
- (3) The "Investment income (loss) recognised by the Company for the year ended December 31, 2025" column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Anpec Electronics Corporation
Information on investments in Mainland China
For the year ended December 31, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 4

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan			Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net profit (loss) of the investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 2)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
				Taiwan to Mainland China as of January 1, 2025	Remitted to Mainland China	Remitted back to Taiwan							
Supec (Suzhou) Co., Ltd.	International trade of keyboard, mouse, electronic calculator, color image monitor, color image projector and components of toy instruments and consulting service	\$ 98,993	2	\$ 98,993	\$ -	\$ -	\$ 98,993	\$ 889	100	\$ 889	\$ 44,580	\$ -	

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in Supec International Holding Ltd., an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: Investment income (loss) recognized for this period:

The basis for investment income (loss) recognition is the financial statements of the investee that were audited by R.O.C. parent company's CPA.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: Ceiling on investments was calculated based on the limit (60% of net assets) specified in "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" amended by the Ministry of Economic Affairs.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)
Anpec Electronics Corporation	\$ 98,993	\$ 98,993	\$ 2,975,769

ANPEC ELECTRONICS CORPORATION
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 1

Item	Description	Amount
Cash		
Cash on hand and petty cash		\$ 133
Bank deposits		
Checking accounts		20
Demand deposits		
- NTD		110,262
-Foreign currency	USD 1,625.18 thousand	At an exchange rate of 1 USD to 31.42 NTD 51,063
-Foreign currency	HKD 60.13 thousand	At an exchange rate of 1 HKD to 4.039 NTD 243
Time deposits		
- NTD		113,700
-Foreign currency	USD 5,500 thousand	At an exchange rate of 1 USD to 31.42 NTD 172,810
		<u>\$ 448,231</u>

ANPEC ELECTRONICS CORPORATION
STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 2

Name of financial instrument	Description	Number of shares or units	Par value	Total amount	Cost of acquisition	Fair value		Footnote
						Unit price	Total amount	
Bigbest Solutions, Inc.	Stocks	646,800	\$ 10.00	\$ 6,468	\$ 49,933	\$ -	\$ -	
Grenergy, Inc.	Stocks	223,157	10.00	2,232	69,362	-	-	
Non-derivative financial instruments								
Fubon Money Market Fund	Beneficiary certificates	4,752,467.34	14.73	70,000	70,000	15.71	74,655	
Mega Diamond Money Market Fund	Beneficiary certificates	6,049,040.46	12.40	75,000	75,000	13.28	80,315	
Franklin Templeton Sinoam Money Market Fund	Beneficiary certificates	1,873,132.73	10.68	20,000	20,000	10.95	20,509	
TCB Taiwan Money Market Fund	Beneficiary certificates	1,954,193.70	10.23	20,000	20,000	10.71	20,930	
				<u>\$ 193,700</u>	<u>\$ 304,295</u>		<u>\$ 196,409</u>	

ANPEC ELECTRONICS CORPORATION
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 3

<u>Client Name</u>	<u>Amount</u>	<u>Footnote</u>
General customers (all for accounts payable due in one year)		
Company A	\$ 161,816	
Company D	96,542	
Company E	57,019	
Others	451,958	The balance of each customer has not exceeded 5% of the total accounts receivable.
Total	<u>\$ 767,335</u>	

ANPEC ELECTRONICS CORPORATION
STATEMENT OF INVENTORIES
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 4

Item	Amount		Footnote
	Cost	Net realizable value as market value	
Raw materials	\$ 24,477	\$ 19,221	
Work in progress	353,016	629,681	
Finished goods	197,558	338,043	
	575,051	\$ 986,945	
Less: Allowance for market value decline and loss for obsolete and slow-moving inventories	(45,515)		
	\$ 529,536		

ANPEC ELECTRONICS CORPORATION
STATEMENT OF CHANGES IN LONG-TERM EQUITY INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 5

Name	Balance at the beginning of the period		Additions (Decrease) in this period			Balance at the end of the period		Market value or book value per share			Collateral	Footnote
	Number of shares	Amount	Number of shares	Amount (Note)	Investment income (loss)	Number of shares	Ownership (%)	Amount	Unit price (NTD)	Total price		
Anpec International Holding Ltd.	3,000,500	\$ 45,073	-	\$ 166	\$ 901	3,000,500	100	\$ 46,140	\$ 15.38	\$ 46,140	None	None
Sinopower Semiconductor Inc.	15,965,615	708,068	-	(94,208)	146,487	15,965,615	42.62	760,347	47.62	760,347	None	None
		<u>\$ 753,141</u>		<u>(\$ 94,042)</u>	<u>\$ 147,388</u>			<u>\$ 806,487</u>		<u>\$ 806,487</u>		

Note: This refers to cash dividends paid by investees and cumulative translation adjustments recognized.

ANPEC ELECTRONICS CORPORATION
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 6

Item	Balance at the beginning of the period	Additions in this period	Decreases in this period	Balance at the end of the period	Footnote
Land	\$ 137,598	\$ -	(\$ 4,846)	\$ 132,752	
Buildings	23,075	3,788	-	26,863	
Total	\$ 160,673	\$ 3,788	(\$ 4,846)	\$ 159,615	

ANPEC ELECTRONICS CORPORATION
STATEMENT OF ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 7

Item	Balance at the beginning of the period	Additions in this period	Decreases in this period	Balance at the end of the period	Footnote
Land	\$ 23,846	\$ 3,532	\$ -	\$ 27,378	
Buildings	21,497	3,788	-	25,285	
Total	<u>\$ 45,343</u>	<u>\$ 7,320</u>	<u>\$ -</u>	<u>\$ 52,663</u>	

ANPEC ELECTRONICS CORPORATION

STATEMENT OF ACCOUNTS PAYABLE

DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars)

Statement 8

<u>Client name</u>	<u>Amount</u>	<u>Footnote</u>
General vendors		
Company A	\$ 58,621	
Company C	47,699	
Company D	37,482	
Company B	16,745	
Company E	13,299	
		The balance of each vendor account has not exceeded 5% of the total accounts payable.
Others	<u>56,716</u>	
	230,562	
Affiliates		
Sinopower Semiconductor Inc.	<u>9,656</u>	
Total	<u>\$ 240,218</u>	

ANPEC ELECTRONICS CORPORATION

STATEMENT OF LEASE LIABILITIES

DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars)

Statement 9

<u>Item</u>	<u>Description</u>	<u>Lease period</u>	<u>Discount rate</u>	<u>Balance at the end of the period</u>	<u>Footnote</u>
Land	Hsinchu	2024.1.1 - 2043.12.31	1.50%	\$ 111,225	
Buildings	Taipei	2025.6.1 - 2026.5.31	1.50%	1,585	
				<u>\$ 112,810</u>	

ANPEC ELECTRONICS CORPORATION
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 10

<u>Item</u>	<u>Volume</u>	<u>Amount</u>	<u>Footnote</u>
Power converter and management IC	640,685 thousand pieces	\$ 1,948,779	
Amplifier and Driver IC	426,719 thousand pieces	<u>2,173,974</u>	
Total		<u>\$ 4,122,753</u>	

ANPEC ELECTRONICS CORPORATION
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 11

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Beginning balance of raw materials		\$ 23,801	
Add: Materials purchased during the year		1,367,636	
Expenses reclassified to raw materials		5,085	
Less: Ending balance of raw materials		<u>(24,477)</u>	
Raw materials consumed in this period		1,372,045	
Manufacturing expense		<u>949,409</u>	
Manufacturing cost		2,321,454	
Add: Beginning balance of work in progress		218,148	
Work in progress purchased		2,816	
Less: Ending balance of work in progress		<u>(353,016)</u>	
Work-in-progress reclassified as expenses		<u>(1,190)</u>	
Cost of goods manufactured		2,188,212	
Add: Beginning balance of finished goods		185,264	
Expenses reclassified as finished goods		791	
Less: Ending balance of finished goods		<u>(197,558)</u>	
Cost of goods sold		2,176,709	
Add: Loss on reversal of market value decline and obsolete and slow-moving inventories		<u>14,000</u>	
Operating costs		<u>\$ 2,190,709</u>	

ANPEC ELECTRONICS CORPORATION
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 12

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Selling expenses			
Wages and salaries		216,260	
Commissions expense		39,040	
Other expenses		<u>85,991</u>	The amount of each individual expense does not exceed 5% of the amount of this account.
Total		<u>\$ 341,291</u>	
General and administrative expenses			
Wages and salaries		108,249	
Professional service fee		8,653	
Other expenses		<u>29,239</u>	The amount of each individual expense does not exceed 5% of the amount of this account.
Total		<u>\$ 146,141</u>	
Research and development expenses			
Wages and salaries		289,091	
Depreciation charge		135,467	
Research and development expenses		37,807	
Other expenses		<u>77,290</u>	The amount of each individual expense does not exceed 5% of the amount of this account.
Total		<u>\$ 539,655</u>	

ANPEC ELECTRONICS CORPORATION
STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION, AND AMORTIZATION EXPENSES OF THE PERIOD BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 13

Function Nature	2025			2024		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	\$ 103,926	\$ 656,238	\$ 760,164	\$ 90,321	\$ 582,618	\$ 672,939
Wages and salaries	83,209	515,108	598,317	68,555	420,123	488,678
Share-based payment	6,325	57,014	63,339	9,906	85,765	95,671
Labour and health insurance fees	7,972	26,097	34,069	5,703	26,483	32,186
Pension costs	2,714	14,740	17,454	2,640	14,575	17,215
Directors' remuneration	-	27,738	27,738	-	21,094	21,094
Other employee benefit expenses	3,706	15,541	19,247	3,517	14,578	18,095
Depreciation charge	5,943	150,233	156,176	4,571	142,365	146,936
Amortisation charge	-	23,651	23,651	-	23,015	23,015

1. Note: The average number of employees in 2025 and 2024 was 298 and 301, respectively, of which the number of directors who did not serve as employees concurrently was 9 and 9, respectively.
2. Other disclosure information:
 - (1) Average employee benefit expense in current year was \$2,534. (“Total employee benefit expense for this year - Total directors’ remuneration” / (“Number of employees for this year - Number of directors who did not serve as employees concurrently”)).
Average employee benefit expense for previous year was \$2,232. (“Total employee benefit expense for the previous year - Total directors’ remuneration” / (“Number of employees in the previous year - Number of directors who did not serve as employees concurrently in the previous year”)).

ANPEC ELECTRONICS CORPORATION
STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION, AND AMORTIZATION EXPENSES OF THE PERIOD BY FUNCTION (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 13

- (2) Average employees wages and salaries in current year was \$2,070. (Total salary and wages for this year / (“Number of employees this year - Number of directors who did not serve as employees concurrently”)).

Average employees wages and salaries in previous year was \$1,674. (Total wages and salaries for the previous year / (“Number of employees in the previous year - Number of directors who did not serve as employees concurrently”)).

- (3) Adjustments of average employees salaries was 23.7%. (“Average employees wages and salaries for this year - Average employees wages and salaries for the previous year” / Average employees wages and salaries for the previous year).

- (4) As the Company sets up the Remuneration Committee, it has no supervisors’ remuneration.

- (5) The Company’s remuneration policy:

The Company has established the Remuneration Committee in accordance with the Remuneration Committee Organization Charter to assist the Board of Directors in formulating a remuneration policy for the Company’s directors, managers, and the Company. The Company operates business in accordance with the Company’s Articles of Incorporation, the Remuneration Committee, and the Board of Directors, and regularly reviews the remuneration of directors and managers based on their participation in and contribution to the Company’s operations and their remuneration structure and performance system to ensure that the structure and system are consistent with the Company’s current business conditions and the relationship between performance and remuneration. Employees’ salary and compensation policy is based on their job category, education and experience, professional knowledge, and skills, professional seniority and experience, personal performance and contribution. The Company prohibits discrimination and differential treatment based on race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disabilities, zodiac sign, or blood type. Salary is determined based on industry salary levels, salary market trends, and the Company’s business conditions and organizational structure. The Company makes timely adjustments based on market salary trends, changes in the macroeconomic and industry situations, and government regulations. The annual salary adjustment and bonus payments are determined based on the Company’s business performance and each employee’s individual annual performance.