

**CHICONY POWER TECHNOLOGY CO.,  
LTD. AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2025 AND 2024**

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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.

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Chicony Power Technology Co., Ltd.

***Opinion***

We have audited the accompanying consolidated balance sheets of Chicony Power Technology Co., Ltd. and its subsidiaries (the "Group") as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these

requirements. Based on our audits and the reports of other auditors, 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 judgement, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2025 consolidated financial statements are stated as follows:

**Key audit matter – The accuracy of revenue recognition for smart building system services**

Description

Refer to Notes 4(27), 5(2) and 6(18) for accounting policy, accounting estimates and assumptions, and details related to revenue recognition of smart building system service.

For the smart building system service provided by the Group, revenue is recognised based on the stage of completion during the contract period. The stage of completion of a contract is measured based on the proportion of costs incurred for work performed to date to the estimated total costs for the contract. As the estimation of total contract costs has a high degree of estimation uncertainty and involves management's subjective judgement, the determination of the stage of completion and recognition of revenue may be affected. Thus, we considered the accuracy of revenue recognition of the construction as the key audit matter for this year's audit.

#### How our audit addressed the matter

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

1. Obtained an understanding of the internal controls in evaluating estimated total costs, selected samples of estimated total costs of material contracts and verified whether the estimation was consistent with the workflow and internal controls.
2. For contracts with significant additions or significant modification to the estimated total costs for the current period, selected samples of the approved estimated total costs, including the related supporting documents of current significant supplementary constructions.
3. Obtained the details of current input costs, performed related substantive procedures, including selecting current costs incurred, tracing them to related vouchers and confirming whether the current input costs had been accounted for appropriately.

#### ***Other matter - Reference to the audits of other auditors***

We did not audit the financial statements of certain subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$871,171 thousand and NT\$759,118 thousand, constituting 2.58% and 2.22% of the consolidated total assets as at December 31, 2025 and 2024, respectively, and the net operating revenue amounted to NT\$1,431,845 thousand and NT\$1,054,359 thousand, constituting 4.16% and 2.84% of the consolidated total operating revenue for the years then ended, respectively.

***Other matter - Parent company only financial reports***

We have audited and expressed an unmodified opinion with other matter section on the parent company only financial statements of Chicony Power Technology Co., Ltd. as at and for the years ended December 31, 2025 and 2024.

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

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

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

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

*Auditors' responsibilities for the audit of the consolidated financial statements*

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Liang, Hua-Ling

Liao, Fu-Ming

For and on behalf of PricewaterhouseCoopers, Taiwan

March 4, 2026

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The accompanying consolidated 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 consolidated 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.

**CHICONY POWER TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
<b>CURRENT ASSETS</b>						
1100	Cash and cash equivalents	6(1)	\$ 4,800,791	14	\$ 4,011,462	12
1110	Financial assets at fair value through profit or loss - current	6(2)	1,256,832	4	726,995	2
1120	Financial assets at fair value through other comprehensive income - current	6(3)	175,621	1	234,615	1
1140	Current contract assets	6(18)	3,899,593	12	2,502,069	7
1150	Notes receivable, net	6(4) and 8	132,078	-	84,209	-
1170	Accounts receivable, net	6(4)	8,250,723	24	10,190,610	31
1180	Accounts receivable - related parties	7	1,022,010	3	1,104,351	3
1200	Other receivables		31,493	-	25,923	-
1210	Other receivables - related parties	7	79	-	121	-
130X	Inventories, net	6(5)	5,710,386	17	6,082,019	18
1410	Prepayments		544,740	2	754,465	2
11XX	<b>TOTAL CURRENT ASSETS</b>		<u>25,824,346</u>	<u>77</u>	<u>25,716,839</u>	<u>76</u>
<b>NON-CURRENT ASSETS</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	516,029	1	644,616	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	19,532	-	21,000	-
1600	Property, plant and equipment, net	6(6)	6,404,012	19	6,668,366	19
1755	Right-of-use assets	6(7)	332,776	1	377,642	1
1780	Intangible assets	6(8)	180,458	1	163,990	-
1840	Deferred income tax assets	6(25)	146,925	-	198,137	1
1900	Other non-current assets	8	319,062	1	461,874	1
15XX	<b>TOTAL NON-CURRENT ASSETS</b>		<u>7,918,794</u>	<u>23</u>	<u>8,535,625</u>	<u>24</u>
1XXX	<b>TOTAL ASSETS</b>		<u>\$ 33,743,140</u>	<u>100</u>	<u>\$ 34,252,464</u>	<u>100</u>

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**CHICONY POWER TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED 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	%
	<b>CURRENT LIABILITIES</b>					
2100	Short-term borrowings	6(9)	\$ 4,484,281	13	\$ 2,472,041	7
2120	Financial liabilities at fair value through profit or loss - current	6(2)	23,647	-	174,521	1
2130	Contract liabilities - current	6(18)	526,616	2	479,113	1
2150	Notes payable		6,015	-	8,128	-
2170	Accounts payable	6(10)	9,534,813	28	11,117,806	33
2180	Accounts payable - related parties	7	-	-	36	-
2200	Other payables	6(12)	2,501,258	8	2,994,969	9
2220	Other payables - related parties	7	7,054	-	11,106	-
2230	Current income tax liabilities		843,170	3	880,270	4
2280	Lease liabilities - current	7	71,323	-	72,548	-
2320	Long-term liabilities, current portion	6(11)	67,237	-	30,905	-
2399	Other current liabilities, others		17,191	-	16,908	-
21XX	<b>TOTAL CURRENT LIABILITIES</b>		<u>18,082,605</u>	<u>54</u>	<u>18,258,351</u>	<u>55</u>
	<b>NON-CURRENT LIABILITIES</b>					
2540	Long-term borrowings	6(11)	151,282	1	133,919	-
2570	Deferred income tax liabilities	6(25)	87,880	-	132,223	-
2580	Lease liabilities - non-current	7	39,263	-	77,403	-
2600	Other non-current liabilities		104,849	-	124,506	-
25XX	<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>383,274</u>	<u>1</u>	<u>468,051</u>	<u>-</u>
2XXX	<b>TOTAL LIABILITIES</b>		<u>18,465,879</u>	<u>55</u>	<u>18,726,402</u>	<u>55</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT					
	SHARE CAPITAL	6(14)				
3110	Common stock		4,007,691	12	4,007,691	12
	CAPITAL SURPLUS	6(15)				
3200	Capital surplus		3,236,424	9	3,236,424	9
	RETAINED EARNINGS	6(16)				
3310	Legal reserve		2,582,958	8	2,248,259	7
3320	Special reserve		610,542	2	1,101,255	3
3350	Unappropriated retained earnings		5,382,971	16	5,542,976	16
	OTHER EQUITY INTEREST	6(17)				
3400	Other equity interest		( 543,325)	( 2)	( 610,543)	( 2)
3XXX	<b>TOTAL EQUITY</b>		<u>15,277,261</u>	<u>45</u>	<u>15,526,062</u>	<u>45</u>
	SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS	9				
	SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE	11				
3X2X	<b>TOTAL LIABILITIES AND EQUITY</b>		<u>\$ 33,743,140</u>	<u>100</u>	<u>\$ 34,252,464</u>	<u>100</u>

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

**CHICONY POWER TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	Year ended December 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
4000	SALES REVENUE	6(18) and 7	\$ 34,451,747	100	\$ 37,176,448	100
5000	OPERATING COSTS	6(5)(23)(24) and 7	( 28,646,326)	( 83)	( 29,684,689)	( 80)
5900	GROSS PROFIT		<u>5,805,421</u>	<u>17</u>	<u>7,491,759</u>	<u>20</u>
	OPERATING EXPENSES	6(23)(24) and 7				
6100	Selling expenses		( 641,298)	( 2)	( 552,245)	( 2)
6200	General and administrative expenses		( 1,110,013)	( 3)	( 1,197,754)	( 3)
6300	Research and development expenses		( 1,800,337)	( 5)	( 1,968,623)	( 5)
6450	Expected credit (loss) gain	12(2)	( 6,508)	-	21,806	-
6000	TOTAL OPERATING EXPENSES		<u>( 3,558,156)</u>	<u>( 10)</u>	<u>( 3,696,816)</u>	<u>( 10)</u>
6900	OPERATING PROFIT		<u>2,247,265</u>	<u>7</u>	<u>3,794,943</u>	<u>10</u>
	NON-OPERATING INCOME AND EXPENSES					
7100	Interest income	6(19)	60,761	-	66,302	-
7010	Other income	6(20)	255,703	-	280,786	1
7020	Other gains and losses	6(21)	28,689	-	73,208	-
7050	Finance costs	6(22) and 7	( 85,740)	-	( 66,754)	-
7000	TOTAL NON-OPERATING INCOME AND EXPENSES		<u>259,413</u>	<u>-</u>	<u>353,542</u>	<u>1</u>
7900	<b>PROFIT BEFORE INCOME TAX</b>		<u>2,506,678</u>	<u>7</u>	<u>4,148,485</u>	<u>11</u>
7950	Income tax expense	6(25)	( 422,320)	( 1)	( 807,436)	( 2)
8200	<b>PROFIT FOR THE YEAR</b>		<u>\$ 2,084,358</u>	<u>6</u>	<u>\$ 3,341,049</u>	<u>9</u>
	<b>OTHER COMPREHENSIVE INCOME COMPONENTS OF OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS</b>					
8311	Remeasurement of defined benefit plan	6(13)	\$ 4,238	-	\$ 5,941	-
8316	Unrealised (loss) gain from investments in equity instruments measured at fair value through other comprehensive income	6(3)(17)	( 56,842)	-	46,281	-
	<b>COMPONENTS OF OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS</b>					
8361	Financial statements translation differences of foreign operations	6(17)	124,060	-	444,432	1
8300	<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>\$ 71,456</u>	<u>-</u>	<u>\$ 496,654</u>	<u>1</u>
8500	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>\$ 2,155,814</u>	<u>6</u>	<u>\$ 3,837,703</u>	<u>10</u>
	PROFIT ATTRIBUTABLE TO:					
8610	Owners of the parent		<u>\$ 2,084,358</u>	<u>6</u>	<u>\$ 3,341,049</u>	<u>9</u>
	COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
8710	Owners of the parent		<u>\$ 2,155,814</u>	<u>6</u>	<u>\$ 3,837,703</u>	<u>10</u>
	EARNINGS PER SHARE (NT\$)	6(26)				
9750	BASIC EARNINGS PER SHARE		<u>\$ 5.20</u>		<u>\$ 8.34</u>	
9850	DILUTED EARNINGS PER SHARE		<u>\$ 5.15</u>		<u>\$ 8.24</u>	

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

CHICONY POWER TECHNOLOGY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent					Other entity interest	Total equity
		Share capital - common stock	Capital surplus	Retained Earnings		Unappropriated retained earnings		
				Legal reserve	Special reserve			
<u>Year ended December 31, 2024</u>								
BALANCE AT JANUARY 1, 2024		\$ 3,990,401	\$ 2,965,835	\$ 1,918,979	\$ 984,842	\$ 5,046,294	(\$ 1,101,256)	\$13,805,095
Profit for the year		-	-	-	-	3,341,049	-	3,341,049
Other comprehensive income for the year	6(17)	-	-	-	-	5,941	490,713	496,654
Total comprehensive income for the year		-	-	-	-	3,346,990	490,713	3,837,703
Distribution of 2023 earnings	6(16)							
Legal reserve		-	-	329,280	-	( 329,280)	-	-
Special reserve		-	-	-	116,413	( 116,413)	-	-
Cash dividends		-	-	-	-	( 2,404,615)	-	( 2,404,615)
Stock for employee compensation	6(14)(15)	17,290	270,589	-	-	-	-	287,879
BALANCE AT DECEMBER 31, 2024		<u>\$ 4,007,691</u>	<u>\$ 3,236,424</u>	<u>\$ 2,248,259</u>	<u>\$ 1,101,255</u>	<u>\$ 5,542,976</u>	<u>(\$ 610,543)</u>	<u>\$15,526,062</u>
<u>Year ended December 31, 2025</u>								
BALANCE AT JANUARY 1, 2025		\$ 4,007,691	\$ 3,236,424	\$ 2,248,259	\$ 1,101,255	\$ 5,542,976	(\$ 610,543)	\$15,526,062
Profit for the year		-	-	-	-	2,084,358	-	2,084,358
Other comprehensive income for the year	6(17)	-	-	-	-	4,238	67,218	71,456
Total comprehensive income for the year		-	-	-	-	2,088,596	67,218	2,155,814
Distribution of 2024 earnings	6(16)							
Legal reserve		-	-	334,699	-	( 334,699)	-	-
Reversal of special reserve		-	-	-	( 490,713)	490,713	-	-
Cash dividends		-	-	-	-	( 2,404,615)	-	( 2,404,615)
BALANCE AT DECEMBER 31, 2025		<u>\$ 4,007,691</u>	<u>\$ 3,236,424</u>	<u>\$ 2,582,958</u>	<u>\$ 610,542</u>	<u>\$ 5,382,971</u>	<u>(\$ 543,325)</u>	<u>\$15,277,261</u>

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

CHICONY POWER TECHNOLOGY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 2,506,678	\$ 4,148,485
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation	6(6)(7)(23)	1,192,284	1,128,252
Amortization	6(8)(23)	88,860	69,390
Other non-current assets recognised as expense	6(23)	17,289	19,466
Expected credit loss (gain)	12(2)	6,508	(21,806)
Interest income	6(19)	(60,761)	(66,302)
Dividend income	6(20)	(34,714)	(96,877)
Interest expense	6(22)	85,740	66,754
Loss on disposal of property, plant and equipment	6(21)	227	2,919
Net (gain) loss on financial assets at fair value through profit or loss - derivative instruments	6(2)(21)	(13,430)	380,999
Net (gain) loss on financial assets at fair value through profit or loss - others	6(2)(21)	(247,726)	35,407
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Financial assets or liabilities at fair value through profit or loss - derivative instruments		(135,837)	(362,589)
Current contract assets		(1,400,424)	(1,612,264)
Notes receivable, net		(47,869)	10,213
Accounts receivable, net		1,936,279	(1,563,949)
Accounts receivable - related parties		82,341	111,595
Other receivables		(4,832)	(1,887)
Other receivables - related parties		42	39
Inventories, net		371,633	(150,380)
Prepayments		209,725	(217,929)
Other current assets		-	332
Net changes in liabilities relating to operating activities			
Contract liabilities - current		47,503	57,719
Notes payable		(2,113)	1,057
Accounts payable		(1,582,993)	685,031
Accounts payable - related parties		(36)	(52)
Other payables		(494,901)	222,250
Other payables - related parties		(4,052)	434
Other current liabilities		283	1,342
Accrued pension liabilities		(2,686)	(12,054)
Other non-current liabilities		(20,073)	98,030
Cash inflow generated from operations		2,492,945	2,933,625
Interest received		60,773	66,538
Dividends received		33,964	95,977
Interest paid		(84,550)	(64,376)
Income taxes paid		(447,280)	(696,482)
Net cash flows from operating activities		<u>2,055,852</u>	<u>2,335,282</u>

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CHICONY POWER TECHNOLOGY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
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>			
Acquisition of financial assets at fair value through profit or loss - others		(\$ 280,275 )	(\$ 438,306 )
Proceeds from disposal of financial assets at fair value through profit or loss - others		111,731	228,431
Acquisition of property, plant and equipment	6(6)	( 299,281 )	( 499,254 )
Proceeds from disposal of property, plant and equipment		3,666	686
Acquisition of intangible assets	6(8)	( 41,766 )	( 42,801 )
Increase in prepayments for business facilities		( 357,396 )	( 994,500 )
Decrease (increase) in other non-current assets		15,528	( 53,553 )
Net cash flows used in investing activities		( 847,793 )	( 1,799,297 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(27)	18,661,000	15,431,060
Decrease in short-term borrowings	6(27)	( 16,648,760 )	( 13,922,761 )
Proceeds from long-term borrowings	6(27)	92,381	164,824
Repayments of long-term borrowings	6(27)	( 47,967 )	-
Repayments of lease liabilities	6(27)	( 80,951 )	( 81,755 )
Increase (decrease) in other non-current liabilities	6(27)	3,145	( 1,469 )
Cash dividends paid	6(16)	( 2,404,615 )	( 2,404,615 )
Net cash flows used in financing activities		( 425,767 )	( 814,716 )
Effect of exchange rate changes on cash and cash equivalents		7,037	101,733
Net increase (decrease) in cash and cash equivalents		789,329	( 176,998 )
Cash and cash equivalents at beginning of year	6(1)	4,011,462	4,188,460
Cash and cash equivalents at end of year	6(1)	\$ 4,800,791	\$ 4,011,462

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

CHICONY POWER TECHNOLOGY CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Chicony Power Technology Co., Ltd. (the “Company”) was incorporated in 2008 as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company became listed on the Taiwan Stock Exchange (TWSE) in November, 2013. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in developing, manufacturing and sales of switching power supplies, electronic components and LED lighting modules, and smart building solutions. Chicony Electronics Co., Ltd. is the Group’s ultimate parent company. As of December 31, 2025, Chicony Electronics Co., Ltd. and its subsidiaries hold 52.21% equity interest in the Company.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 4, 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<sup>®</sup>”) 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 Group’s financial condition and financial performance based on the Group’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 Group

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’

The amendments require an entity to:

A. Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

The conditions for the exception are that the entity making the payment does not have:

- i. the practical ability to withdraw, stop or cancel the payment instruction;
- ii. the practical ability to access the cash used for settlement; and
- iii. significant settlement risk.

B. Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the

reporting period related to the investments derecognised during that reporting period.

(3) 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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 that public companies will apply IFRS 18 starting from the fiscal year 2028. In addition, entities that need to adopt IFRS 18 earlier may choose to do so after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and liabilities (including derivative instruments) are measured at fair value through profit or loss.

- (b) Financial assets are measured at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Remark
			December 31, 2025	December 31, 2024	
Chicony Power Technology Co., Ltd.	Chicony Power Holdings Inc. (CPH)	Investment holdings	100%	100%	
"	Chicony Power Technology (Thailand) Co., Ltd. (CPTH)	Manufacturing and sales of switching power supplies and other electronic parts	100%	100%	
"	Diligent Technology (Thailand) Co., Ltd.(DTTH)	Manufacturing and sales of switching power supplies and other electronic parts	100%	0%	Note 3
CPH	Chicony Power International Inc. (CPI)	Investment holdings	100%	100%	
CPI	Chicony Power USA, Inc. (CPUS)	Sales of switching power supplies and other electronic parts	100%	100%	Note 1
"	Chicony Power Technology Hong Kong Limited (CPHK)	Research and development center and investment holdings	100%	100%	
"	WitsLight Technology Co., Ltd. (WTS)	Design, research and development of LED lighting modules and investment holdings	100%	100%	
CPHK	Chicony Power Technology (Dong Guan) Co., Ltd. (CPDG)	Manufacturing and sales of switching power supplies and other electronic parts	100%	100%	
"	Chicony Power Technology (Suzhou) Co., Ltd. (CPSZ)	Manufacturing and sales of electronic components and LED lighting modules	100%	100%	
"	Quang Sheng Electronics (Nangchang) Co., Ltd. (GSE)	Manufacturing and sales of electronic components and transformers	100%	100%	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Remark
			December 31, 2025	December 31, 2024	
CPHK	Chicony Power Technology (Chong Qing) Co., Ltd. (CPCQ)	Manufacturing and sales of electronic components	100%	100%	
"	Chicony Power Technology Trading (Dong Guan) Co., Ltd. (CPDGT)	Importing and exporting of power supplies, and other electronics and smart building system industry	0%	0%	Note 2
WTS	WitsLight Technology (Kunshan) Co., Ltd. (WTK)	Manufacturing and sales of LED lighting modules	100%	100%	
"	Diligent Technology Co., Ltd. (DT)	Design, research and development and sales of automotive and motorcycle lamps and other components	100%	100%	
WTK	Zhuzhou Torch Auto Lamp Co., Ltd. (TORCH)	Production and sales of automotive and motorcycle components, electric machine and device, lamps and plastic products	100%	100%	
CPSZ	Chicony Energy Saving Technology (Shanghai) Co., Ltd. (CPSH)	Smart building solutions	100%	100%	

Note 1: The financial statements of CPUS were audited by other independent auditors.

Note 2: The Board of Directors during its meeting on March 25, 2024 resolved to dissolve CPDGT, and the registration of liquidation was completed on November 8, 2024.

Note 3: The Company invested THB 25,000 thousand to establish DTTH, which has been completed in the second quarter of 2025.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

#### (4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation 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) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

##### B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) 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 that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
  - (b) Assets that are held primarily for the purpose of trading;
  - (c) Assets expected to be realised within twelve months after the reporting period;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- 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 in the normal operating cycle;
  - (b) Liabilities arising primarily from trading activities;
  - (c) Liabilities that are due to be settled within twelve months after the reporting period;
  - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) 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.

(7) 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 amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

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

(10) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

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

(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, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. 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 costs of completion and the estimated costs necessary to make the sale.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are to be capitalised.
- 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 Group 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. Land is not depreciated. Other property, plant and equipment are depreciated using the straight-line method to allocate their costs 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 balance sheet date. 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 for the plant and buildings are 20-50 years and for the other fixed assets are 1-10 years.

(14) 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 Group. 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 fixed payments, less any lease incentives receivable.

The Group 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; and
  - (b) Any lease payments made at or before the commencement date.

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.

(15) Intangible assets

- A. Trademark, right, patent and computer software are amortised on a straight-line basis over their estimated useful lives of 1-15 years.
- B. Goodwill arises in a business combination accounted for by applying the acquisition method.
- C. Other intangible asset, mainly expertise, is amortised on a straight-line basis over its estimated useful lives of 4 years.

(16) Impairment of non-financial assets

- A. The Group 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 recognised 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. Except for goodwill, 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.
- B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(17) Borrowings

- A. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(18) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(19) Financial liabilities at fair value through profit or loss

- A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading or financial liabilities designated as at fair value through profit or loss on initial recognition. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is 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) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(23) 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 expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses 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 plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined

benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

- ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

#### C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

#### D. Employees' and directors' remuneration

Employees' and directors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation 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 distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

### (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. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business

combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

- D. Deferred income 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 income 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 income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(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 carrying amount value 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

Under the Company's Articles of Incorporation, cash dividends are recorded as liabilities in the Company's financial statements in the period in which they are resolved by the Company's Board of Directors. 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

A. Sales of goods

- (a) Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. 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 Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) 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.
- (c) Under the contracts with customers, as the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

B. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognises the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

C. Smart building system service

- (a) The Group provides services related to planning, design, construction and maintenance of smart building systems. Revenue is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual cost spent relative to the total expected cost. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- (b) Some contracts include sales and installation services of equipment. Some equipment and the installation services provided by the Group are not distinct and are identified to be one performance obligation satisfied over time since the installation services involve significant customisation and modification. The Group recognises revenue on the basis of costs incurred relative to the total expected costs of that performance obligation.
- (c) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(28) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are presented by deducting the grants from the asset's carrying amount and are amortised to profit or loss over the estimated useful lives of the related assets as reduced depreciation expenses.

(29) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group'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. The information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Revenue recognition of smart building system service

The Group's revenue recognition of smart building system service is calculated by the proportion of costs incurred relative to the estimated total costs. The Group regularly reviews the reasonableness of the estimated total costs. However, fluctuations in raw material prices and construction progress may lead to changes in the estimated total costs, which could affect the amount of revenue recognised by the Company.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 46,934	\$ 2,869
Checking accounts and demand deposits	4,088,550	3,438,554
Time deposits	665,307	570,039
	<u>\$ 4,800,791</u>	<u>\$ 4,011,462</u>

A. The Group 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.

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

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

Items	December 31, 2025	December 31, 2024
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Non-hedging derivatives		
Forward exchange contracts	\$ 22,495	\$ 24,102
Listed stocks	743,657	602,401
	<u>766,152</u>	<u>626,503</u>
Valuation adjustment	490,680	100,492
	<u>\$ 1,256,832</u>	<u>\$ 726,995</u>
Financial liabilities mandatorily measured at fair value through profit or loss		
Non-hedging derivatives		
Forward exchange contracts	(\$ 23,647)	(\$ 146,532)
Foreign exchange swap contracts	-	( 27,989)
	<u>(\$ 23,647)</u>	<u>(\$ 174,521)</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	\$ 238,058	\$ 224,543
Beneficiary certificates	590,225	596,531
	<u>828,283</u>	<u>821,074</u>
Valuation adjustment	( 312,254)	( 176,458)
	<u>\$ 516,029</u>	<u>\$ 644,616</u>

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

	Years ended December 31,	
	2025	2024
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Derivatives	\$ 13,430	(\$ 380,999)
Others		
Equity instruments	349,863	37,219
Beneficiary certificates	( 102,137)	( 72,626)
	<u>247,726</u>	<u>( 35,407)</u>
	<u>\$ 261,156</u>	<u>(\$ 416,406)</u>

B. The Group entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2025	
<u>Derivative financial assets and liabilities</u>	<u>Contract amount (Notional principal)</u>	<u>Expiry date</u>
Current items:		
Forward foreign exchange contracts		
- Buy RMB, sell USD	USD 78,000 thousand	2026.1.6 - 2026.2.6
- Sell THB, buy USD	USD 31,500 thousand	2026.1.21 - 2026.3.9
	December 31, 2024	
<u>Derivative financial assets and liabilities</u>	<u>Contract amount (Notional principal)</u>	<u>Expiry date</u>
Current items:		
Foreign exchange swap contracts		
- Buy NTD, sell USD	USD 29,000 thousand	2025.1.15 - 2025.3.20
- Sell THB, buy USD	USD 6,000 thousand	2025.2.19
Forward foreign exchange contracts		
- Buy RMB, sell USD	USD 169,500 thousand	2025.1.6 - 2025.5.6
- Sell THB, buy USD	USD 60,500 thousand	2025.1.22 - 2025.3.31

Forward foreign exchange contracts / Foreign exchange swap contracts

The Group entered into forward foreign exchange contracts and foreign exchange swap contracts to buy (sell) foreign exchange swap and interest rate swap to hedge exchange rate risk of import and export proceeds. However, these forward foreign exchange contracts and foreign exchange swap contracts are not accounted for under hedge accounting.

C. The Group has no financial assets at fair value through profit or loss pledged to others.

D. 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 fair value through other comprehensive income

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Listed stocks	\$ 261,615	\$ 261,615
Unlisted stocks	83,023	86,643
	344,638	348,258
Valuation adjustment	(169,017)	(113,643)
	<u>\$ 175,621</u>	<u>\$ 234,615</u>
Non-current items:		
Unlisted stocks	\$ 437,100	\$ 437,100
Valuation adjustment	(417,568)	(416,100)
	<u>\$ 19,532</u>	<u>\$ 21,000</u>

- A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments was equivalent to the carrying amount as at December 31, 2025 and 2024.
- B. The Group did not sell equity investments for the years ended December 31, 2025 and 2024.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 56,842)	\$ 46,281
Dividend income recognised in profit or loss held at end of year	\$ 14,030	\$ 8,146

- D. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(4) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	\$ 132,078	\$ 84,209
Accounts receivable	\$ 8,302,109	\$ 10,238,475
Less: Allowance for uncollectible accounts	( 51,386)	( 47,865)
	<u>\$ 8,250,723</u>	<u>\$ 10,190,610</u>

- A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 8,170,937	\$ 132,078	\$ 10,130,992	\$ 84,209
1 - 30 days past due	2,196	-	41,325	-
31 - 120 days past due	97,354	-	29,376	-
121 - 210 days past due	104	-	224	-
Over 210 days past due	31,518	-	36,558	-
	<u>\$ 8,302,109</u>	<u>\$ 132,078</u>	<u>\$ 10,238,475</u>	<u>\$ 84,209</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2025 and 2024, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to \$8,768,865.

- C. Details of the Group's notes receivable pledged to others as collateral are provided in Note 8. The Group has no accounts receivable pledged to others as collateral.
- D. As of December 31, 2025 and 2024, the Group had discounted notes receivable to banks amounting to \$39,281 and \$42,041, respectively. The Group has payment obligation when the drawers of the notes refuse to pay for the notes at maturity. However, in general, the Group does not expect that the drawers of the notes would refuse to pay for the notes at maturity. The liabilities arising on discounted notes receivable were presented as short-term borrowings.
- E. 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 notes and accounts receivable held by the Group was equal to carrying amount.
- F. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,910,582	(\$ 217,407)	\$ 1,693,175
Work in process	618,853	( 31,070)	587,783
Finished goods	3,664,987	( 235,559)	3,429,428
	<u>\$ 6,194,422</u>	<u>(\$ 484,036)</u>	<u>\$ 5,710,386</u>
	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 2,011,620	(\$ 322,760)	\$ 1,688,860
Work in process	648,536	( 22,965)	625,571
Finished goods	3,991,974	( 224,386)	3,767,588
	<u>\$ 6,652,130</u>	<u>(\$ 570,111)</u>	<u>\$ 6,082,019</u>

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2025	2024
Cost of inventories sold	\$ 28,674,722	\$ 29,680,568
Gain on reversal of decline in market value	( 86,715)	( 129,433)
Loss on scrap inventory	57,787	132,860
Others	532	694
	<u>\$ 28,646,326</u>	<u>\$ 29,684,689</u>

The Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because certain related inventories were scrapped or sold.

(6) Property, plant and equipment

	2025						
	Land	Buildings and structures	Machinery	Test equipment	Others	Unfinished construction	Total
<u>January 1</u>							
Cost	\$ 128,447	\$ 4,970,035	\$ 4,224,556	\$ 2,991,671	\$ 1,901,451	\$ 71,109	\$ 14,287,269
Accumulated depreciation and impairment	-	( 1,292,149)	( 2,691,419)	( 2,231,688)	( 1,403,647)	-	( 7,618,903)
	<u>\$ 128,447</u>	<u>\$ 3,677,886</u>	<u>\$ 1,533,137</u>	<u>\$ 759,983</u>	<u>\$ 497,804</u>	<u>\$ 71,109</u>	<u>\$ 6,668,366</u>
Balance, January 1	\$ 128,447	\$ 3,677,886	\$ 1,533,137	\$ 759,983	\$ 497,804	\$ 71,109	\$ 6,668,366
Additions	119,702	32,683	-	24,046	5,512	117,338	299,281
Disposals	-	-	( 403)	( 120)	( 3,370)	-	( 3,893)
Reclassifications	-	113,970	152,241	83,716	168,713	( 112,351)	406,289
Depreciation charge	-	( 267,592)	( 328,110)	( 300,131)	( 209,338)	-	( 1,105,171)
Net exchange differences	11,598	84,543	22,458	6,591	10,673	3,277	139,140
Balance, December 31	<u>\$ 259,747</u>	<u>\$ 3,641,490</u>	<u>\$ 1,379,323</u>	<u>\$ 574,085</u>	<u>\$ 469,994</u>	<u>\$ 79,373</u>	<u>\$ 6,404,012</u>
<u>December 31</u>							
Cost	\$ 259,747	\$ 5,218,402	\$ 4,274,781	\$ 3,014,801	\$ 2,016,288	\$ 79,373	\$ 14,863,392
Accumulated depreciation and impairment	-	( 1,576,912)	( 2,895,458)	( 2,440,716)	( 1,546,294)	-	( 8,459,380)
	<u>\$ 259,747</u>	<u>\$ 3,641,490</u>	<u>\$ 1,379,323</u>	<u>\$ 574,085</u>	<u>\$ 469,994</u>	<u>\$ 79,373</u>	<u>\$ 6,404,012</u>
	2024						
	Land	Buildings and structures	Machinery	Test equipment	Others	Unfinished construction	Total
<u>January 1</u>							
Cost	\$ 120,677	\$ 2,899,204	\$ 3,848,620	\$ 2,542,219	\$ 1,648,145	\$ 1,439,218	\$ 12,498,083
Accumulated depreciation and impairment	-	( 1,049,089)	( 2,366,510)	( 1,933,622)	( 1,228,375)	-	( 6,577,596)
	<u>\$ 120,677</u>	<u>\$ 1,850,115</u>	<u>\$ 1,482,110</u>	<u>\$ 608,597</u>	<u>\$ 419,770</u>	<u>\$ 1,439,218</u>	<u>\$ 5,920,487</u>
Balance, January 1	\$ 120,677	\$ 1,850,115	\$ 1,482,110	\$ 608,597	\$ 419,770	\$ 1,439,218	\$ 5,920,487
Additions	-	19,188	-	25,000	7,125	447,941	499,254
Disposals	-	-	( 2,598)	( 609)	( 398)	-	( 3,605)
Reclassifications	-	1,861,385	317,028	391,289	259,467	( 1,841,754)	987,415
Depreciation charge	-	( 204,577)	( 334,280)	( 295,124)	( 211,806)	-	( 1,045,787)
Net exchange differences	7,770	151,775	70,877	30,830	23,646	25,704	310,602
Balance, December 31	<u>\$ 128,447</u>	<u>\$ 3,677,886</u>	<u>\$ 1,533,137</u>	<u>\$ 759,983</u>	<u>\$ 497,804</u>	<u>\$ 71,109</u>	<u>\$ 6,668,366</u>
<u>December 31</u>							
Cost	\$ 128,447	\$ 4,970,035	\$ 4,224,556	\$ 2,991,671	\$ 1,901,451	\$ 71,109	\$ 14,287,269
Accumulated depreciation and impairment	-	( 1,292,149)	( 2,691,419)	( 2,231,688)	( 1,403,647)	-	( 7,618,903)
	<u>\$ 128,447</u>	<u>\$ 3,677,886</u>	<u>\$ 1,533,137</u>	<u>\$ 759,983</u>	<u>\$ 497,804</u>	<u>\$ 71,109</u>	<u>\$ 6,668,366</u>

- A. None of the Group's property, plant and equipment are pledged as collateral.
- B. The reclassifications of property, plant and equipment represent transfers from other non-current assets.
- C. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows: None.

(7) Leasing arrangements-lessee

- A. The Group leases various assets including land use right, buildings, business vehicles, multifunction printers. Rental contracts are typically made for periods of 1 to 50 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.
- B. Short-term leases with a lease term of 12 months or less comprise warehouses, offices and business vehicles. Low-value assets comprise multifunction printers and are not shown in right-of-use asset.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings and structures	\$ 105,843	\$ 146,009
Land use right	226,933	231,633
	<u>\$ 332,776</u>	<u>\$ 377,642</u>

  

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings and structures	\$ 81,744	\$ 76,938
Land use right	5,369	5,527
	<u>\$ 87,113</u>	<u>\$ 82,465</u>

- D. As of December 31, 2025, the Group entered into land use right contracts with the Ministry of Land and Resources for the use of the land in Jiangsu Wujiang District, Chongqing Jiangjin Shuangfu New Area and Guangdong Dongguan City, all for a period of 50 years. All rentals had been paid on the contract date.
- E. The carrying amounts of the above land use rights are net of the government land grants received as an investment incentive.
- F. For the years ended December 31, 2025 and 2024, the additions (including changes in foreign exchange rate) to right-of-use assets were \$40,424 and \$124,504, respectively.
- G. Except for the depreciation mentioned above, other information on profit and loss accounts relating to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 7,764	\$ 6,469
Rent expense on short-term lease contract	92,971	127,767
Rent expense on leases of low-value assets	1,517	1,356

- H. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$183,203 and \$217,347, respectively.
- I. The Group has no right-of-use assets pledged to others.

(8) Intangible assets

	2025				
	<u>Trademarks and patents</u>	<u>Software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<u>January 1</u>					
Cost	\$ 158,439	\$ 492,095	\$ 120,650	\$ 38,068	\$ 809,252
Accumulated amortisation and impairment	( 137,288)	( 351,053)	( 120,650)	( 36,271)	( 645,262)
	<u>\$ 21,151</u>	<u>\$ 141,042</u>	<u>\$ -</u>	<u>\$ 1,797</u>	<u>\$ 163,990</u>
Balance, January 1	\$ 21,151	\$ 141,042	\$ -	\$ 1,797	\$ 163,990
Additions	19,633	22,133	-	-	41,766
Reclassifications	-	61,102	-	-	61,102
Amortisation charge	( 18,232)	( 69,155)	-	( 1,473)	( 88,860)
Net exchange differences	-	2,460	-	-	2,460
Balance, December 31	<u>\$ 22,552</u>	<u>\$ 157,582</u>	<u>\$ -</u>	<u>\$ 324</u>	<u>\$ 180,458</u>
<u>December 31</u>					
Cost	\$ 178,072	\$ 578,701	\$ 120,650	\$ 36,704	\$ 914,127
Accumulated amortisation and impairment	( 155,520)	( 421,119)	( 120,650)	( 36,380)	( 733,669)
	<u>\$ 22,552</u>	<u>\$ 157,582</u>	<u>\$ -</u>	<u>\$ 324</u>	<u>\$ 180,458</u>
	2024				
	<u>Trademarks and patents</u>	<u>Software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<u>January 1</u>					
Cost	\$ 139,784	\$ 385,080	\$ 120,650	\$ 33,815	\$ 679,329
Accumulated amortisation and impairment	( 121,173)	( 298,844)	( 120,650)	( 33,815)	( 574,482)
	<u>\$ 18,611</u>	<u>\$ 86,236</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,847</u>
Balance, January 1	\$ 18,611	\$ 86,236	\$ -	\$ -	\$ 104,847
Additions	18,655	23,146	-	1,000	42,801
Reclassifications	-	80,514	-	1,112	81,626
Amortisation charge	( 16,115)	( 52,960)	-	( 315)	( 69,390)
Net exchange differences	-	4,106	-	-	4,106
Balance, December 31	<u>\$ 21,151</u>	<u>\$ 141,042</u>	<u>\$ -</u>	<u>\$ 1,797</u>	<u>\$ 163,990</u>
<u>December 31</u>					
Cost	\$ 158,439	\$ 492,095	\$ 120,650	\$ 38,068	\$ 809,252
Accumulated amortisation and impairment	( 137,288)	( 351,053)	( 120,650)	( 36,271)	( 645,262)
	<u>\$ 21,151</u>	<u>\$ 141,042</u>	<u>\$ -</u>	<u>\$ 1,797</u>	<u>\$ 163,990</u>

A. The Group has recognised a full impairment provision on its goodwill as of December 31, 2025.

B. The reclassifications of intangible assets represent transfers from other non-current assets.

(9) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank unsecured borrowings	\$ 4,445,000	1.85%~1.88%	None
Secured borrowings	39,281	0.65%~1.45%	Notes receivable
	<u>\$ 4,484,281</u>		

  

<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank unsecured borrowings	\$ 2,430,000	1.84%~1.95%	None
Secured borrowings	42,041	0.85%~1.05%	Notes receivable
	<u>\$ 2,472,041</u>		

Information relating to the guarantee notes issued for the above borrowings as of December 31, 2025 is provided in Note 9(1).

(10) Accounts payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable	\$ 7,613,308	\$ 9,060,866
Estimated accounts payable	1,921,505	2,056,940
	<u>\$ 9,534,813</u>	<u>\$ 11,117,806</u>

(11) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Secured borrowings	Borrowing period is from March 18, 2024 to March 18, 2029	3.33%~3.36%	None	\$ 218,519
Less: Current portion				( 67,237)
				<u>\$ 151,282</u>

  

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Secured borrowings	Borrowing period is from March 18, 2024 to March 18, 2029	4.20%~4.45%	None	\$ 164,824
Less: Current portion				( 30,905)
				<u>\$ 133,919</u>

The Group's subsidiary, CPTH, entered into a credit contract with Mega International Commercial Bank. The grace period is the first year from the date of first drawdown, only interest is repayable. After the grace period expires, the principal is paid quarterly in 4 equal installments. The Group's main commitments during the contract period are as follows:

- A. CPTH shall provide a negative pledge, and CPTH's machinery and equipment and factories cannot be leased, pledged or transferred the superficies to any third party without the consent of the bank.
- B. The Company shall issue a letter of support, committing to directly or indirectly hold no less than 51% of CPTH's equity interest during the borrowing period and ensuring that CPTH's actions comply with its obligations and responsibilities under the credit contract.
- C. CPTH shall maintain a deposit balance at no less than three months of interest payable in the loan account. If this condition is not met, the loan interest rate will increase by 0.25%.

As of December 31, 2025 and 2024, the Group complied with the above three main commitments.

(12) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Salaries payable	\$ 852,917	\$ 914,530
Commissions payable	417,875	512,726
Employees' compensation and directors' remuneration payable	336,857	569,517
Consumption goods expense payable	149,224	131,750
Processing fee payable	119,724	200,975
Construction and equipment payable	41,033	101,599
Others	583,628	563,872
	<u>\$ 2,501,258</u>	<u>\$ 2,994,969</u>

(13) Pensions

A. Defined benefit plans

- (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, 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 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 and its domestic subsidiaries contribute an amount equal to 4% of the employees' monthly salaries and wages to the pension fund deposited in the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries 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 and its domestic subsidiaries will make contributions to cover the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of funded defined benefit obligations	(\$ 117,265)	(\$ 117,404)
Fair value of plan assets	<u>105,819</u>	<u>99,034</u>
Net defined benefit liability	<u>(\$ 11,446)</u>	<u>(\$ 18,370)</u>

(c) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<b>2025</b>			
Balance at January 1	(\$ 117,404)	\$ 99,034	(\$ 18,370)
Interest (expense) income	( 1,761)	<u>1,488</u>	( 273)
	<u>( 119,165)</u>	<u>100,522</u>	<u>( 18,643)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	6,758	6,758
Change in financial assumptions	( 1,014)	-	( 1,014)
Experience adjustments	( 1,506)	-	( 1,506)
	<u>( 2,520)</u>	<u>6,758</u>	<u>4,238</u>
Pension fund contribution	-	316	316
Paid pension	<u>4,420</u>	<u>( 1,777)</u>	<u>2,643</u>
Balance at December 31	<u>(\$ 117,265)</u>	<u>\$ 105,819</u>	<u>(\$ 11,446)</u>
<b>2024</b>			
Balance at January 1	(\$ 114,983)	\$ 78,618	(\$ 36,365)
Interest (expense) income	( 1,437)	<u>1,058</u>	( 379)
	<u>( 116,420)</u>	<u>79,676</u>	<u>( 36,744)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	6,925	6,925
Change in financial assumptions	66	-	66
Experience adjustments	( 1,050)	-	( 1,050)
	<u>( 984)</u>	<u>6,925</u>	<u>5,941</u>
Pension fund contribution	-	12,433	12,433
Balance at December 31	<u>(\$ 117,404)</u>	<u>\$ 99,034</u>	<u>(\$ 18,370)</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and its domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.
- (e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2025	2024
Discount rate	1.375%	1.500%
Future salary increases	3.000%	3.000%

Assumptions regarding future mortality experience are set based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2025				
Effect on present value of defined benefit obligation	(\$ <u>2,012</u> )	<u>\$ 2,076</u>	<u>\$ 2,008</u>	(\$ <u>1,956</u> )
December 31, 2024				
Effect on present value of defined benefit obligation	(\$ <u>2,262</u> )	<u>\$ 2,335</u>	<u>\$ 2,262</u>	(\$ <u>2,203</u> )

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

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2026 amount to \$316.

(g) As of December 31, 2025, the weighted average duration of that retirement plan is 7 years. The analysis of timing of the future pension payment for the next ten years was as follows:

Within 1 year	\$	32,743
1-2 years		5,607
2-5 years		12,639
5-10 years		29,522
	<u>\$</u>	<u>80,511</u>

(h) The overseas subsidiary in Thailand adopts a defined benefit pension plan that applies to all regular employees.

The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2025 and 2024 were \$6,542 and \$4,792, respectively.

#### B. Defined contribution plan

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have 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 and its domestic subsidiaries contribute monthly an amount 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 Company’s mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2025 and 2024 were \$333,633 and \$325,615, respectively.

(14) Share capital

A. As of December 31, 2025, the Company's authorised capital was \$5,000,000, and the paid-in capital was \$4,007,691, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding (net of treasury stocks) are as follows:

(Unit: shares in thousands)	2025	2024
At January 1	400,769	399,040
Employee compensation	-	1,729
At December 31	400,769	400,769

B. On March 12, 2024, the Company issued 1,729 thousand shares as the Board of Directors of the Company resolved to appropriate employees' stock dividends of \$287,879 which was calculated based on the closing price of NT\$166.5 (in dollars) per share on the date (March 11, 2024) before the date the Board of Directors resolved the appropriation. The appropriation was effective on May 28, 2024 and the registration was completed on June 18, 2024.

(15) 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 Law requires that the amount of capital surplus to be capitalised 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.

	2025			
	Share premium	Treasury share transactions	Others	Total
At January 1 (same as December 31)	\$ 3,091,313	\$ 35,063	\$ 110,048	\$ 3,236,424
	2024			
	Share premium	Treasury share transactions	Others	Total
At January 1	\$ 2,820,724	\$ 35,063	\$ 110,048	\$ 2,965,835
Share-based payment transactions				
- Employee compensation	270,589	-	-	270,589
At December 31	\$ 3,091,313	\$ 35,063	\$ 110,048	\$ 3,236,424

(16) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's profit before tax, if any, shall first be offset against prior years' operating losses (including adjustment of unappropriated earnings); and then 10% of the remaining amount shall be set aside as legal reserve until it

reaches the Company's paid-up capital; and then set aside as special reserve in accordance with related regulations issued by the Competent Authority when necessary; and the remainder, if any, along with opening unappropriated earnings (including adjustment of unappropriated earnings) shall be proposed by the Board of Directors under the principle of the Company's 25th Articles of Incorporation and resolved by the shareholders as dividends to shareholders. Effective from June 6, 2019, the Board of Directors may, upon resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, distribute dividends and bonus, legal reserve or capital surplus, in whole or in part, in the form of cash, which shall also be reported at the shareholders' meeting. The above distribution is not subject to approval by the shareholders.

- B. The Company's dividend policy is summarised below: the Company is in the development stage of the electronics industry. The dividend policy is formulated by considering the capital requirements of the new products and promoting the return on equity simultaneously. Therefore, the total amounts of stockholders' dividends should not exceed 90% of the total distributable earnings, and then the cash dividends should not be less than 10% of the total amount of stockholders' dividends. The above restrictions will not be applicable if total amount of stockholders' dividends is less than \$0.5 (in dollars) per share.
- C. The appropriation for legal reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.
- D. Special reserve
  - (a) 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.
  - (b) The amount of \$205,324, previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2011, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- E. (a) The appropriations of 2024 and 2023 earnings had been approved at the annual stockholders' meeting on May 26, 2025 and May 27, 2024, respectively, and the details are summarized below:

	Years ended December 31,			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 334,699		\$ 329,280	
(Reversal of special reserve)				
special reserve appropriated	( 490,713)		116,413	
Cash dividends	2,404,615	\$ 6.0	2,404,615	\$ 6.0

(b) Subsequent events:

The appropriations of 2025 earnings had been proposed at the Board of Directors' meeting on March 4, 2026. Details are summarised below:

	Year ended December 31, 2025	
	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 208,860	
Reversal of special reserve	( 67,218)	
Cash dividends	1,482,846	\$ 3.7

As of March 4, 2026, the appropriations of 2025 earnings have not yet been resolved at the shareholders' meeting, except for cash dividends which were resolved by the Board of Directors and were only required to be reported at the shareholders' meeting.

(17) Other equity items

	2025		
	Currency translation	Unrealised gains (losses) on valuation of financial assets	Total
At January 1	(\$ 80,800)	(\$ 529,743)	(\$ 610,543)
Currency translation differences:			
- Group	124,060	-	124,060
Valuation adjustment:			
- Group	-	( 56,842)	( 56,842)
At December 31	<u>\$ 43,260</u>	<u>(\$ 586,585)</u>	<u>(\$ 543,325)</u>
	2024		
	Currency translation	Unrealised gains (losses) on valuation of financial assets	Total
At January 1	(\$ 525,232)	(\$ 576,024)	(\$ 1,101,256)
Currency translation differences:			
- Group	444,432	-	444,432
Valuation adjustment:			
- Group	-	46,281	46,281
At December 31	<u>(\$ 80,800)</u>	<u>(\$ 529,743)</u>	<u>(\$ 610,543)</u>

(18) Operating revenue

A. Disaggregation of revenue from contracts with customers

<u>Year ended December 31, 2025</u>	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Total</u>
Revenue from contracts with customers				
Electronic component products	\$ 25,941,472	\$ 563,351	\$ 1,431,773	\$ 27,936,596
Consumer electronic products and other electronic products	3,263,415	994,172	72	4,257,659
Others	108,006	45,783	-	153,789
Revenue recognized over time from contracts with customers				
Smart building system service	<u>2,068,283</u>	<u>35,420</u>	<u>-</u>	<u>2,103,703</u>
	<u>\$ 31,381,176</u>	<u>\$ 1,638,726</u>	<u>\$ 1,431,845</u>	<u>\$ 34,451,747</u>
<u>Year ended December 31, 2024</u>	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Total</u>
Revenue from contracts with customers				
Electronic component products	\$ 29,687,988	\$ 325,572	\$ 1,041,806	\$ 31,055,366
Consumer electronic products and other electronic products	2,976,315	769,690	888	3,746,893
Others	139,275	123,732	11,665	274,672
Revenue recognized over time from contracts with customers				
Smart building system service	<u>2,091,700</u>	<u>7,817</u>	<u>-</u>	<u>2,099,517</u>
	<u>\$ 34,895,278</u>	<u>\$ 1,226,811</u>	<u>\$ 1,054,359</u>	<u>\$ 37,176,448</u>

B. Contract assets and contract liabilities

The Group has recognised the following revenue-related contract assets and contract liabilities:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract assets -			
Construction contract	\$ 3,942,493	\$ 2,542,069	\$ 929,805
Loss allowance	( 42,900)	( 40,000)	-
	<u>\$ 3,899,593</u>	<u>\$ 2,502,069</u>	<u>\$ 929,805</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract liabilities -			
Construction contract	(\$ 324,553)	(\$ 321,571)	(\$ 217,805)
Contract liabilities - Payment	( 202,063)	( 157,542)	( 203,589)
	<u>(\$ 526,616)</u>	<u>(\$ 479,113)</u>	<u>(\$ 421,394)</u>

C. For the years ended December 31, 2025 and 2024, the opening balance of contract liabilities - payment was fully recognised as operating revenue.

D. Aggregate amount of the transaction price allocated to construction contracts that are partially or fully unsatisfied as at December 31, 2025 and 2024 amounted to \$6,412,440 and \$3,588,547, respectively. Management expects that the transaction price allocated to the unsatisfied contracts as of December 31, 2025 and 2024 will be recognised as revenue over the next one to two years. Except for the abovementioned contracts, all other construction contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

E. Information relating to credit risk of contract assets is provided in Note 12(2).

(19) Interest income

	Years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 60,761	\$ 66,302

(20) Other income

	Years ended December 31,	
	2025	2024
Dividend income	\$ 34,714	\$ 96,877
Government grants	38,892	41,334
Other income-others	182,097	142,575
	\$ 255,703	\$ 280,786

(21) Other gains and losses

	Years ended December 31,	
	2025	2024
Net gains (losses) on financial assets and liabilities at fair value through profit or loss - derivative instruments	\$ 13,430	(\$ 380,999)
Net gains (losses) on financial assets and liabilities at fair value through profit or loss - others	247,726	( 35,407)
Net currency exchange (losses) gains	( 221,915)	511,821
Losses on disposal of property, plant and equipment	( 227)	( 2,919)
Others	( 10,325)	( 19,288)
	\$ 28,689	\$ 73,208

(22) Finance costs

	Years ended December 31,	
	2025	2024
Interest expense:		
Bank borrowings	\$ 77,976	\$ 60,285
Lease liabilities	7,764	6,469
	<u>\$ 85,740</u>	<u>\$ 66,754</u>

(23) Expenses by nature

	Year ended December 31, 2025		
	Operating cost	Operating expense	Total
Employee benefit expenses	\$ 3,087,087	\$ 1,961,295	\$ 5,048,382
Depreciation	878,313	313,971	1,192,284
Amortisation	26,007	62,853	88,860
Other assets recognised as expenses	9,529	7,760	17,289

	Year ended December 31, 2024		
	Operating cost	Operating expense	Total
Employee benefit expenses	\$ 3,194,570	\$ 2,236,941	\$ 5,431,511
Depreciation	816,198	312,054	1,128,252
Amortisation	14,615	54,775	69,390
Other assets recognised as expenses	11,714	7,752	19,466

(24) Employee benefit expense

	Year ended December 31, 2025		
	Operating cost	Operating expense	Total
Wages and salaries	\$ 2,599,864	\$ 1,668,969	\$ 4,268,833
Labour and health insurance fees	142,988	117,672	260,660
Pension costs	246,449	93,999	340,448
Other personnel expenses	97,786	80,655	178,441
	<u>\$ 3,087,087</u>	<u>\$ 1,961,295</u>	<u>\$ 5,048,382</u>

	Year ended December 31, 2024		
	Operating cost	Operating expense	Total
Wages and salaries	\$ 2,717,463	\$ 1,959,204	\$ 4,676,667
Labour and health insurance fees	141,154	115,731	256,885
Pension costs	243,076	87,710	330,786
Other personnel expenses	92,877	74,296	167,173
	<u>\$ 3,194,570</u>	<u>\$ 2,236,941</u>	<u>\$ 5,431,511</u>

- A. In accordance with the Articles of Incorporation of the Company, the pretax income before distribution of employees' compensation and directors' remuneration shall be appropriated based on a ratio of not lower than 10% for employees' compensation and not higher than 1% for directors' remuneration. In the aforementioned amount of employees' remuneration, at least 3% shall be reserved for rank-and-file employees. Rank-and-file employees are those whose salary level is less than the salary standard for rank-and-file employees as defined in the "Regulations for Tax Preferences Provided to Small and Medium Enterprise on Wage Payment Raising". However, the employees' compensation and directors' remuneration shall be appropriated based on the abovementioned ratios only after covering the accumulated losses (including adjustment of unappropriated earnings), if there is any.
- B. For the years ended December 31, 2025 and 2024, employees' compensation were accrued at \$309,412 and \$524,849, respectively; directors' remuneration were accrued at \$27,445 and \$44,668, respectively. The aforementioned amounts were recognised in salary expenses. The employees' compensation and directors' remuneration were estimated and accrued based on 11.27% and 1% of distributable profit for the year ended December 31, 2025, respectively. The employees' compensation and directors' remuneration resolved by the Board of Directors on March 4, 2026 were \$309,412 and \$27,445, respectively, and the employees' compensation will be distributed in the form of cash.
- C. Employees' compensation of \$524,849 and directors' remuneration of \$44,668 for 2024 as resolved at the meeting of Board of Directors on March 3, 2025 were in agreement with those amounts recognised in the 2024 financial statements. On March 3, 2025 the Board of Directors resolved to distribute employees' compensation in the form of cash and stocks. Subsequently, on April 11, 2025, the Board of Directors resolved to distribute all the employees' compensation in the form of cash.
- D. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the Market Observation Post System website of the Taiwan Stock Exchange.

(25) Income tax

A. Components of income tax expense:

	Years ended December 31,	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 377,251	\$ 773,368
Tax on undistributed surplus earnings	54,919	22,124
Prior year income tax over estimation	( 16,719)	( 53,518)
Total current tax	<u>415,451</u>	<u>741,974</u>
Deferred tax:		
Origination and reversal of temporary differences	6,869	65,462
Income tax expense	<u>\$ 422,320</u>	<u>\$ 807,436</u>

B. Reconciliation between income tax expense and profit before tax:

	Years ended December 31,	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 676,274	\$ 1,104,731
Effects from items allowed by tax regulation	( 67,602)	177,173
Temporary differences not recognised as deferred tax liabilities	( 144,552)	( 353,074)
Effect from investment tax credits	( 80,000)	( 90,000)
Tax on undistributed surplus earnings	54,919	22,124
Prior year income tax over estimation	( 16,719)	( 53,518)
Income tax expense	<u>\$ 422,320</u>	<u>\$ 807,436</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	Year ended December 31, 2025		
	January 1	Recognised in profit or loss	December 31
Temporary differences:			
- Deferred tax assets:			
Provision for inventory price decline and obsolescence	\$ 39,886	(\$ 4,610)	\$ 35,276
Unrealised loss on valuation of financial assets	30,083	( 29,853)	230
Unrealised commission expense	98,957	( 16,368)	82,589
Unrealised government grants	18,739	( 381)	18,358
Others	10,472	-	10,472
	<u>198,137</u>	<u>( 51,212)</u>	<u>146,925</u>
- Deferred tax liabilities:			
Unrealised exchange gain	( 48,856)	44,293	( 4,563)
Others	( 83,367)	50	( 83,317)
	<u>( 132,223)</u>	<u>44,343</u>	<u>( 87,880)</u>
	<u>\$ 65,914</u>	<u>(\$ 6,869)</u>	<u>\$ 59,045</u>
	Year ended December 31, 2024		
	January 1	Recognised in profit or loss	December 31
Temporary differences:			
- Deferred tax assets:			
Provision for inventory price decline and obsolescence	\$ 60,528	(\$ 20,642)	\$ 39,886
Unrealised loss on valuation of financial assets	26,401	3,682	30,083
Unrealised commission expense	111,225	( 12,268)	98,957
Unrealised government grants	18,546	193	18,739
Others	10,472	-	10,472
	<u>227,172</u>	<u>( 29,035)</u>	<u>198,137</u>
- Deferred tax liabilities:			
Unrealised exchange gain	( 14,762)	( 34,094)	( 48,856)
Others	( 81,034)	( 2,333)	( 83,367)
	<u>( 95,796)</u>	<u>( 36,427)</u>	<u>( 132,223)</u>
	<u>\$ 131,376</u>	<u>(\$ 65,462)</u>	<u>\$ 65,914</u>

- D. The Tax Authority has examined the income tax returns of the Company through 2022.
- E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2025 and 2024, the amounts of temporary differences unrecognised as deferred tax liabilities were \$2,321,039 and \$2,176,487, respectively.
- F. CPCQ applied for the Enterprise Income Tax Law of the People’s Republic of China and the State Administration of Taxation on Tax Policy Issues Concerning Further Implementing China’s Western Development Strategy, which refers to an enterprise whose main business falls within the scope of industry projects set out in the Catalogue of Encouraged Industries in China’s Western Territory and whose revenues generated from its main business account for 70% or more of its gross income. The applications have been authorised by the tax authorities, and CPCQ is entitled to a 10% reduction on the tax rate in and before 2020. CPCQ applied for the Continuing to Implement Preferential Tax Policies for Western Development Strategy, which refers to an enterprise whose revenues generated from its main business accounts for 60% or more of its gross income. The applications have been authorised by the tax authorities, and CPCQ is entitled to a 10% reduction on the tax rate during the period between 2021 and 2030. The CPCQ’s applicable income tax rate is 15% during the aforementioned periods.

(26) Earnings per share

	Year ended December 31, 2025		
	Amount after tax	Weighted-average number of ordinary shares outstanding (In thousands)	Earnings per share (in dollars)
<u>Basic EPS</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,084,358	400,769	\$ <u>5.20</u>
<u>Diluted EPS</u>			
Assumed conversion of all dilutive potential ordinary shares			
-Employees’ compensation	-	4,058	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,084,358	404,827	\$ 5.15

	Year ended December 31, 2024		
	<u>Amount after tax</u>	<u>Weighted-average number of ordinary shares outstanding (In thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic EPS</u>			
Profit attributable to ordinary shareholders of the parent	\$ 3,341,049	400,434	<u>\$ 8.34</u>
<u>Diluted EPS</u>			
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	<u>4,972</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 3,341,049</u>	<u>405,406</u>	<u>\$ 8.24</u>

(27) Changes in liabilities from financing activities:

	2025				
	<u>Short-term borrowings</u>	<u>Long-term borrowings (Note)</u>	<u>Lease liability</u>	<u>Others</u>	<u>Total</u>
At January 1	\$ 2,472,041	\$ 164,824	\$ 149,951	\$ 8,106	\$ 2,794,922
Changes in cash flow from financing activities	2,012,240	44,414	( 80,951)	3,145	1,978,848
Changes in other non-cash items	-	-	40,424	-	40,424
Impact of changes in foreign exchange rate	-	<u>9,281</u>	<u>1,162</u>	<u>29</u>	<u>10,472</u>
At December 31	<u>\$ 4,484,281</u>	<u>\$ 218,519</u>	<u>\$ 110,586</u>	<u>\$ 11,280</u>	<u>\$ 4,824,666</u>

	2024				
	Short-term borrowings	Long-term borrowings (Note)	Lease liability	Others	Total
At January 1	\$ 963,742	\$ -	\$ 100,545	\$ 9,575	\$ 1,073,862
Changes in cash flow from financing activities	1,508,299	164,824	( 81,755)	( 1,469)	1,589,899
Changes in other non-cash items	-	-	124,504	-	124,504
Impact of changes in foreign exchange rate	-	-	6,657	-	6,657
At December 31	<u>\$ 2,472,041</u>	<u>\$ 164,824</u>	<u>\$ 149,951</u>	<u>\$ 8,106</u>	<u>\$ 2,794,922</u>

Note: Including current portion.

## 7. RELATED PARTY TRANSACTIONS

### (1) Parent and ultimate controlling party

The ultimate parent of the Company is Chicony Electronics Co., Ltd.

### (2) Names of related parties and relationship

Names of related parties	Relationship with the Group
Chicony Electronics Co., Ltd.	Parent company
Hipro Electronics Ltd.	Entity controlled by the same parent company
Quansun Investment Corp. Ltd.	Entity controlled by the same parent company
Qun-Jing Power Co., Ltd.	Entity controlled by the same parent company
Chicony Electronics (Thailand) Co., Ltd.	Entity controlled by the same parent company
Chicony Electronics CEZ s.r.o	Entity controlled by the same parent company
Chicony Electronics Japan Co., Ltd.	Entity controlled by the same parent company
Chicony Electronics (Dong Guan) Co., Ltd.	Entity controlled by the same parent company
Chicony Electronics (Chong Qing) Co., Ltd.	Entity controlled by the same parent company
Chicony Electronics (Suzhou) Co., Ltd.	Entity controlled by the same parent company
Mao-Ray Electronics (Dong Guan) Co., Ltd.	Entity controlled by the same parent company
Xavi Technologies Co., Ltd.	Entity controlled by the same parent company
Xavi Technologies (Suzhou) Co., Ltd.	Entity controlled by the same parent company
XAVi Technologies (Thailand) Co., Ltd.	Entity controlled by the same parent company
Clevo Co.	Other related party
Kapok Computer (Kunshan) Co.	Other related party
Buynow Group	Other related party
Honhui Group	Other related party
Taipei Twin Towers Limited	Other related party
Chicony Industry (WuHan) Co., Ltd.	Other related party

(3) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2025	2024
Sales of goods:		
-Entities controlled by the same parent company	\$ 2,693,278	\$ 2,886,319
-Other related parties	181,962	260,002
-Parent company	4	6
	<u>2,875,244</u>	<u>3,146,327</u>
Smart building system service		
-Entities controlled by the same parent company	19,242	-
-Other related parties	1,417	6,097
-Parent company	1,287	1,056
	<u>21,946</u>	<u>7,153</u>
	<u>\$ 2,897,190</u>	<u>\$ 3,153,480</u>

The terms of the sales to related parties were not significantly different from those of sales to third parties.

The price on the construction contracts entered into with related parties is set through negotiation by both parties. The collection terms were approximately the same as those with third parties.

B. Contract assets

	December 31, 2025	December 31, 2024
Contract assets:		
-Entities controlled by the same parent company	\$ 2,098	\$ -
-Other related parties	239	5,534
	<u>\$ 2,337</u>	<u>\$ 5,534</u>

C. Purchases of goods and services

	Years ended December 31,	
	2025	2024
Purchases of goods:		
-Parent company	\$ 596	\$ 35
Purchases of services:		
-Other related parties	-	1,910
-Parent company	52,065	50,907
	<u>52,065</u>	<u>52,817</u>
	<u>\$ 52,661</u>	<u>\$ 52,852</u>

The purchases of services from related parties arise mainly from providing management services to the Group.

D. Receivables from related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable:		
-Entities controlled by the same parent company	\$ 979,992	\$ 1,035,664
-Other related parties	41,818	68,468
-Parent company	<u>200</u>	<u>219</u>
	<u>1,022,010</u>	<u>1,104,351</u>
Other receivables:		
-Entities controlled by the same parent company	<u>79</u>	<u>121</u>
	<u>\$ 1,022,089</u>	<u>\$ 1,104,472</u>

(a) The accounts receivable arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest.

(b) Other receivables arise from payments on behalf of others.

E. Payables to related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable:		
-Parent company	<u>\$ -</u>	<u>\$ 36</u>
Other payables:		
-Entities controlled by the same parent company	3,693	3,157
-Other related parties	-	2,005
-Parent company	<u>3,361</u>	<u>5,944</u>
	<u>7,054</u>	<u>11,106</u>
	<u>\$ 7,054</u>	<u>\$ 11,142</u>

(a) The accounts payable arise mainly from purchase transactions and the payables bear no interest.

(b) The other payables arise mainly from collections, short-term lease payments payable and payments on behalf of others.

F. Lease transactions-lessee

(a) As of December 31, 2025, the main lease contracts between the Group and related parties are as follows:

Lessor	Lease subject	Rental calculation and payment	Lease term
-Parent company	Buildings and structures	\$4,989 per month	Within one year
-Parent company	"	\$70 per month	2024.1.1~2026.12.31

(b) Rental expense arising from leases in office and plants from related parties is as follows:

	Years ended December 31,	
	2025	2024
Rental expense:		
-Parent company	\$ 59,868	\$ 59,848

(c) Lease liabilities

i. Outstanding balance:

	December 31, 2025	December 31, 2024
-Parent company	\$ 821	\$ 1,616

ii. Interest expense:

	Years ended December 31,	
	2025	2024
-Parent company	\$ 39	\$ 63

(4) Key management compensation

	Years ended December 31,	
	2025	2024
Salaries and other short-term employee benefits	\$ 112,521	\$ 181,470
Post-employment benefits	1,289	1,425
	<u>\$ 113,810</u>	<u>\$ 182,895</u>

## 8. PLEDGED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>	<u>Book value</u>	<u>Purpose</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>	
Notes receivable	\$ 39,281	\$ 42,041	Discounting notes receivable to banks
Guarantee deposits paid ( shown as 'other non-current assets')	98,234	153,171	Performance guarantee and bid bond
"	34,889	39,795	Guarantee for rentals
"	363	450	Others
	<u>\$ 172,767</u>	<u>\$ 235,457</u>	

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) As of December 31, 2025, for financing forward exchange contracts, bill purchase purposes and bank borrowings, the Group provided standby promissory notes totaling \$16,231,649 as security.

(2) As of December 31, 2025, letters of guarantee for warranty and guarantee letter of credit provided by the bank to the Group amounted to \$1,152,066.

(3) As of December 31, 2025, the Group provided guarantee notes totaling \$78,185 as security for performance guarantee.

(4) As of December 31, 2025, the unpaid amounts for construction in progress and acquisition of machinery and equipment amounted to approximately \$52,411.

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) Details of the appropriations of 2025 earnings and the proposed distribution of employees' compensation and directors' remuneration as proposed by the Board of Directors during its meeting on March 4, 2026 are provided in Notes 6(16)(24).

(2) On March 4, 2026, the Company's Board of Directors resolved to authorize the chairman to jointly invest in real estate development projects relating to the renewal of urban unsafe and old buildings with the parent company, Chicony Electronics Co., Ltd., and the related party, Epoque Corporation, with a maximum investment amount of NT\$1 billion.

## 12. OTHERS

### (1) Capital management

The Group's objectives when managing capital are to safeguard the Group'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 or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new

shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets mandatorily measured at fair value through profit or loss	\$ 1,772,861	\$ 1,371,611
Financial assets at fair value through other comprehensive income - designation of equity instruments	195,153	255,615
Financial assets at amortised cost		
Cash and cash equivalents	4,800,791	4,011,462
Notes receivable	132,078	84,209
Accounts receivable (including related parties)	9,272,733	11,294,961
Other receivables (including related parties)	31,572	26,044
Guarantee deposits paid	133,486	193,416
	<u>\$ 16,338,674</u>	<u>\$ 17,237,318</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss	\$ 23,647	\$ 174,521
Financial liabilities at amortised cost		
Short-term borrowings	4,484,281	2,472,041
Notes payable	6,015	8,128
Accounts payable (including related parties)	9,534,813	11,117,842
Other payables (including related parties)	2,508,312	3,006,075
Long-term borrowings (including current portion)	218,519	164,824
Lease liability	110,586	149,951
	<u>\$ 16,886,173</u>	<u>\$ 17,093,382</u>

B. Financial risk management policies

- (a) The Group'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. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments,

such as foreign exchange contracts and foreign exchange swap contracts are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.
  - (c) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2).
- C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, RMB and THB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The Group hedges exchange rate risk by foreign exchange rate and foreign exchange swap rate. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, THB, RMB and HKD). 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: functional currency)	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 418,843	31.42	\$ 13,160,047
USD:RMB (Note)	384,407	6.99	12,078,068
USD:THB (Note)	34,432	31.543	1,081,853
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 410,467	31.42	\$ 12,896,873
USD:RMB (Note)	116,318	6.99	3,654,712
USD:THB (Note)	104,661	31.543	3,288,449
December 31, 2024			
(Foreign currency: functional currency)	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 437,783	32.79	\$ 14,354,905
USD:RMB (Note)	361,758	7.3225	11,862,045
USD:THB (Note)	27,947	34.3171	916,382
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 398,089	32.79	\$ 13,053,338
USD:RMB (Note)	140,150	7.3225	4,595,519
USD:THB (Note)	98,241	34.3171	3,221,322

Note: The method is to disclose in foreign currency. The functional currencies of certain subsidiaries belonging to the Group are not NTD, thus, this information has to be considered when reporting. For example, when a subsidiary's functional currency is RMB, the subsidiary's segments that are involved with USD have to be taken into consideration.

- iv. Total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024 amounted to (\$221,915) and \$511,821, respectively.

- v. 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%	\$	131,600	\$ -
USD:RMB	1%		120,781	-
USD:THB	1%		10,819	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	128,969	\$ -
USD:RMB	1%		36,547	-
USD:THB	1%		31,884	-
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%	\$	143,549	\$ -
USD:RMB	1%		118,620	-
USD:THB	1%		9,164	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	130,533	\$ -
USD:RMB	1%		45,955	-
USD:THB	1%		32,213	-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic and foreign companies. The prices of financial instruments would change due to the change of the future value of investee companies. If the prices of these financial instruments 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 \$17,504 and \$13,475, respectively, as a result of gains/losses on financial instruments classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$1,952 and \$2,556, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

#### Cash flow and fair value interest rate risk

The Group's interest rate risk arises from short-term borrowings and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2025 and 2024, the Group's borrowings at variable rates were denominated in NTD, USD and THB.

As of December 31, 2025 and 2024, if interest rates on USD-denominated borrowings had been 0.25% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024 both would have been \$11,757 and \$6,592 lower/higher, respectively.

#### (b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss.
- ii. According to the Group's credit policy, each local entity in the Group 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.
- iii. The Group manages credit risk of cash in banks and other financial instruments based on the Group's credit policy. Banks with good credit and financial institutions with investment-grade credit ratings are accepted as counterparties.

- iv. The Group adopts the assumptions under IFRS 9, that is, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. According to the internal management policy, the default occurs when the contract payments are past due over 360 days.
- v. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the simplified approach using provision matrix and loss rate methodology to estimate expected credit loss.
- vi. The Group used the forecastability of industry prospect and macroeconomic environment to adjust historical and timely information to assess the default possibility of accounts receivable (including related parties). As of December 31, 2025 and 2024, the provision matrix is as follows:

<u>December 31, 2025</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~0.03%	\$ 9,192,947	\$ 2,225
1 - 30 days past due	1%~5%	2,196	88
31 - 120 days past due	5%~20%	97,354	17,524
121 - 210 days past due	20%~100%	104	31
Over 210 days	100%	31,518	31,518
		<u>\$ 9,324,119</u>	<u>\$ 51,386</u>
<u>December 31, 2024</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~0.04%	\$ 11,235,343	\$ 4,299
1 - 30 days past due	1%~5%	41,325	1,653
31 - 120 days past due	5%~20%	29,376	5,288
121 - 210 days past due	20%~100%	224	67
Over 210 days	100%	36,558	36,558
		<u>\$ 11,342,826</u>	<u>\$ 47,865</u>

- vii. The Group recognises loss allowance for contract assets based on lifetime expected credit losses (ECLs). If there has been a significant increase in credit risk on contract assets since initial recognition, loss allowance for contract assets is assessed and recognised individually. The amount of loss allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate.
- viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	<u>2025</u>		
	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Total</u>
At January 1	\$ 47,865	\$ 40,000	\$ 87,865
Provision for impairment loss	3,608	2,900	6,508
Effect of foreign exchange	( 87)	-	( 87)
At December 31	<u>\$ 51,386</u>	<u>\$ 42,900</u>	<u>\$ 94,286</u>

	2024		
	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Total</u>
At January 1	\$ 109,588	\$ -	\$ 109,588
(Reversal of) provision for impairment loss	( 61,806)	40,000	( 21,806)
Effect of foreign exchange	83	-	83
At December 31	<u>\$ 47,865</u>	<u>\$ 40,000</u>	<u>\$ 87,865</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal financial ratio targets and, if applicable external regulatory or legal requirements.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As of December 31, 2025 and 2024, the Group held money market position of \$6,163,815 and \$4,946,101, respectively, which are expected to generate sufficient cash inflows to cover liquidity risk.
- iii. The Group has the following undrawn borrowing facilities:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Floating rate:		
Expiring within one year	\$ 8,716,433	\$ 12,005,677
Expiring beyond one year	-	379,811
	<u>\$ 8,716,433</u>	<u>\$ 12,385,488</u>

- iv. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>December 31, 2025</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>
<u>Non-derivative financial liabilities:</u>		
Short-term borrowings	\$ 4,495,371	\$ -
Notes payable	6,015	-
Accounts payable	9,534,813	-
Other payables (including related parties)	2,508,312	-
Lease liability	75,866	40,231
Long-term borrowings (including current portion)	74,199	166,693
<u>Derivative financial liabilities:</u>		
Financial liabilities at fair value through profit or loss	23,647	-
<u>December 31, 2024</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>
<u>Non-derivative financial liabilities:</u>		
Short-term borrowings	\$ 2,477,268	\$ -
Notes payable	8,128	-
Accounts payable (including related parties)	11,117,842	-
Other payables (including related parties)	3,006,075	-
Lease liability	78,816	80,803
Long-term borrowings (including current portion)	38,025	156,800
<u>Derivative financial liabilities:</u>		
Financial liabilities at fair value through profit or loss	174,521	-

### (3) Fair value of financial instruments

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 Group's investment in listed (including emerging) stocks and beneficiary certificates 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. The fair value of the Group's investment in private placement of listed shares and most derivative instruments is included in Level 2.

- Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.
- B. The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, (including related parties), other receivables (including related parties), short-term borrowings, notes payable, accounts payable (including related parties) and other payables (including related parties) are approximate to their fair values.
- C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2025 and 2024 are as follows:
- (a) The related information on the nature of the assets and liabilities is as follows:

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets mandatorily measured at fair value through profit or loss - current				
Equity securities	\$ 1,234,337	\$ -	\$ -	\$ 1,234,337
Non-hedging derivatives				
Forward exchange contracts	-	22,495	-	22,495
Financial assets mandatorily measured at fair value through profit or loss - non-current				
Equity securities	-	-	225,234	225,234
Beneficiary certificates	11,940	-	278,855	290,795
Financial assets at fair value through other comprehensive income - current				
Equity securities	175,621	-	-	175,621
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	-	-	19,532	19,532
	<u>\$ 1,421,898</u>	<u>\$ 22,495</u>	<u>\$ 523,621</u>	<u>\$ 1,968,014</u>
December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss - current				
Non-hedging derivatives				
Forward exchange contracts	\$ -	\$ 23,647	\$ -	\$ 23,647

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets mandatorily measured at fair value through profit or loss - current				
Equity securities	\$ 702,893	\$ -	\$ -	\$ 702,893
Non-hedging derivatives				
Forward exchange contracts	-	24,102	-	24,102
Financial assets mandatorily measured at fair value through profit or loss - non-current				
Equity securities	-	-	242,942	242,942
Beneficiary certificates	9,180	-	392,494	401,674
Financial assets at fair value through other comprehensive income - current				
Equity securities	234,615	-	-	234,615
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	-	-	21,000	21,000
	<u>\$ 946,688</u>	<u>\$ 24,102</u>	<u>\$ 656,436</u>	<u>\$ 1,627,226</u>
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss - current				
Non-hedging derivatives				
Forward exchange contracts	\$ -	\$ 146,532	\$ -	\$ 146,532
Exchange rate swap contracts	-	27,989	-	27,989
	<u>\$ -</u>	<u>\$ 174,521</u>	<u>\$ -</u>	<u>\$ 174,521</u>

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

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Emerging Stocks</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Average trade price	Net asset value

- ii. 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. The following chart is the movement of Level 3:

	2025		
	Beneficiary certificates	Equity instruments	Total
At January 1	\$ 392,494	\$ 263,942	\$ 656,436
Acquired during the year	4,670	25,000	29,670
Capital reduction during the year	-	( 11,486)	( 11,486)
Gains and losses recognised in profit or loss	( 104,897)	( 31,223)	( 136,120)
Gains and losses recognised in other comprehensive income	-	( 1,467)	( 1,467)
Effect of exchange rate changes	( 13,412)	-	( 13,412)
At December 31	<u>\$ 278,855</u>	<u>\$ 244,766</u>	<u>\$ 523,621</u>
Movement of unrealised gain or loss in profit or loss of assets and liabilities held as at December 31, 2025 (Note)	<u>(\$ 104,897)</u>	<u>(\$ 31,223)</u>	<u>(\$ 136,120)</u>
	2024		
	Beneficiary certificates	Equity instruments	Total
At January 1	\$ 429,108	\$ 310,916	\$ 740,024
Acquired during the year	30,520	30,652	61,172
Capital reduction during the year	-	( 1,560)	( 1,560)
Losses recognised in profit or loss	( 84,831)	( 77,938)	( 162,769)
Gains and losses recognised in other comprehensive income	-	1,872	1,872
Effect of exchange rate changes	17,697	-	17,697
At December 31	<u>\$ 392,494</u>	<u>\$ 263,942</u>	<u>\$ 656,436</u>
Movement of unrealised gain or loss in profit or loss of assets and liabilities held as at December 31, 2024 (Note)	<u>(\$ 84,831)</u>	<u>(\$ 77,938)</u>	<u>(\$ 162,769)</u>

Note: Recorded as non-operating income and expense.

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

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 244,766	Net asset value	N/A	-	N/A
Venture capital shares					
Private equity fund investment	278,855	Net asset value	N/A	-	N/A
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 263,942	Net asset value	N/A	-	N/A
Venture capital shares					
Private equity fund investment	392,494	Net asset value	N/A	-	N/A

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2025				
		Recognised in profit or loss		Recognised in other comprehensive income		
Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets						
Equity instruments	Net asset value	±1%	\$ 2,448	(\$ 2,448)	\$ 195	(\$ 195)
Beneficiary certificates	Net asset value	±1%	2,789	( 2,789)	-	-
			<u>\$ 5,237</u>	<u>(\$ 5,237)</u>	<u>\$ 195</u>	<u>(\$ 195)</u>

			December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Net asset value	±1%	\$ 2,429	(\$ 2,429)	\$ 210	(\$ 210)
Beneficiary certificates	Net asset value	±1%	3,925	( 3,925)	-	-
			<u>\$ 6,354</u>	<u>(\$ 6,354)</u>	<u>\$ 210</u>	<u>(\$ 210)</u>

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 3.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 4.
- F. Significant inter-company transactions during the reporting periods: Refer to table 5.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 6.

#### (3) Information on investments in Mainland China

- A. Basic information: Refer to table 7.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to Note 13(1).

### 14. SEGMENT INFORMATION

#### (1) General information

The Chief Operating Decision-Maker considers the business from a geographic and product type perspective; geographically, the Group currently focuses on wholesale in Taiwan, Mainland China and US.

The Group's organisation, basis of department segmentation and principles for measuring segment information for the year were not significantly changed.

(2) Measurement of segment information

A. The accounting policies of operating departments are the same as the accounting policies summarised in Note 4.

B. The Group evaluates performance based on external revenue and segment income which had already eliminated the effect of segment transactions.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

<u>Year ended December 31, 2025</u>	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Total</u>
Revenue from external customers	\$ 31,381,176	\$ 1,638,726	\$ 1,431,845	\$ 34,451,747
Inter-segment revenue	1,453,160	29,069,515	-	30,522,675
Total-segment revenue	<u>\$ 32,834,336</u>	<u>\$ 30,708,241</u>	<u>\$ 1,431,845</u>	<u>\$ 64,974,422</u>
Segment profit	<u>\$ 1,404,937</u>	<u>\$ 2,094,246</u>	<u>\$ 44,801</u>	<u>\$ 3,543,984</u>
Segment profit includes				
Depreciation and amortisation	<u>\$ 104,784</u>	<u>\$ 1,172,635</u>	<u>\$ 21,014</u>	<u>\$ 1,298,433</u>
Income tax expense	<u>\$ 323,253</u>	<u>\$ 92,717</u>	<u>\$ 6,350</u>	<u>\$ 422,320</u>
<u>Year ended December 31, 2024</u>	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Total</u>
Revenue from external customers	\$ 34,895,278	\$ 1,226,811	\$ 1,054,359	\$ 37,176,448
Inter-segment revenue	1,044,650	30,322,924	-	31,367,574
Total-segment revenue	<u>\$ 35,939,928</u>	<u>\$ 31,549,735</u>	<u>\$ 1,054,359</u>	<u>\$ 68,544,022</u>
Segment profit	<u>\$ 2,395,217</u>	<u>\$ 2,321,031</u>	<u>\$ 59,107</u>	<u>\$ 4,775,355</u>
Segment profit includes				
Depreciation and amortisation	<u>\$ 102,280</u>	<u>\$ 1,077,463</u>	<u>\$ 37,365</u>	<u>\$ 1,217,108</u>
Income tax expense	<u>\$ 556,236</u>	<u>\$ 242,615</u>	<u>\$ 8,585</u>	<u>\$ 807,436</u>

(4) Reconciliation for segment income

A. The revenue from external parties reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income.

B. A reconciliation of reportable segment profit to the profit before tax for the years ended December 31, 2025 and 2024 is provided as follows:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Reportable segment profit	\$ 3,543,984	\$ 4,775,355
Unclassified related profit and loss	( 1,296,719)	( 980,412)
Non-operating income and expenses	259,413	353,542
Profit before tax	<u>\$ 2,506,678</u>	<u>\$ 4,148,485</u>

(5) Information on products and services

Revenue from third parties is as follows:

	Years ended December 31,	
	2025	2024
Electronic component products	\$ 27,936,596	\$ 31,055,366
Consumer electronic products and other electronic products	4,257,659	3,746,893
Smart building system service	2,103,703	2,099,517
Others	153,789	274,672
	<u>\$ 34,451,747</u>	<u>\$ 37,176,448</u>

(6) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Years ended December 31,			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Asia	\$ 22,116,386	\$ 7,102,562	\$ 25,871,128	\$ 7,477,944
US	7,088,860	260	7,449,364	512
Europe	546,723	-	420,662	-
Others	4,699,778	-	3,435,294	-
	<u>\$ 34,451,747</u>	<u>\$ 7,102,822</u>	<u>\$ 37,176,448</u>	<u>\$ 7,478,456</u>

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other non-current assets, but exclude financial instruments and deferred income tax assets.

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2025 and 2024 is as follows:

	Years ended December 31,			
	2025		2024	
	Revenue	Segment	Revenue	Segment
Company A	\$ 4,626,434	Taiwan	\$ 5,121,955	Taiwan
Company B	3,740,394	Taiwan	4,459,108	Taiwan
	<u>\$ 8,366,828</u>		<u>\$ 9,581,063</u>	

CHICONY POWER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Loans to others

Year ended December 31, 2025

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2025 (Note 2)	Balance at December 31, 2025 (Note 3)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 6)	Ceiling on total loans granted (Note 6)	Footnote
													Item	Value			
0	The Company	CPTH	Other receivables - related parties	YES	\$ 3,386,400	\$ 3,204,840	\$ 2,073,720	1	2	\$ -	working capital	\$ -	None	None	\$ 6,110,904	\$ 6,110,904	-
0	The Company	CPUS	Other receivables - related parties	YES	498,000	471,300	201,088	1	2	-	working capital	-	None	None	6,110,904	6,110,904	-
0	The Company	WTS	Other receivables - related parties	YES	92,220	47,130	39,432	1	2	-	working capital	-	None	None	6,110,904	6,110,904	-
0	The Company	DT	Other receivables - related parties	YES	90,000	75,000	47,600	1	2	-	working capital	-	None	None	6,110,904	6,110,904	-
1	CPDG	TORCH	Other receivables - related parties	YES	522,808	507,486	507,486	1.6	2	-	working capital	-	None	None	2,101,399	2,101,399	-
2	CPI	CPHK	Other receivables - related parties	YES	1,477,814	1,391,592	1,391,592	0	2	-	working capital	-	None	None	11,620,790	11,620,790	-

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2025.

Note 3: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorised the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Note 4: The numbers filled in the column of 'Nature of loan are as follows:

- (1) The business transaction is '1'.
- (2) The short-term financing is '2'.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: (1) Total financing amount should not exceed the Company's stockholders' equity based on the latest financial statements that are audited and attested or reviewed by the independent auditors, and

- a. the total financing amount to any individual party should not exceed 40% of the Company's stockholders' equity for the purpose of short-term financing.
- b. the total financing amount to any individual party should not exceed 50% of the Company's stockholders' equity and the amount of sales/purchase during the year for the purpose of business.

(2) Total financing amount should not exceed the subsidiary's stockholders' equity based on the latest financial statements that are audited and attested or reviewed by the independent auditors, and

- a. the total financing amount to any individual party should not exceed 40% of the subsidiary's stockholders' equity for the purpose of short-term financing.
- b. the total financing amount to any individual party should not exceed 50% of the subsidiary's stockholders' equity and the amount of sales/purchase during the year for the purpose of business.

(3) Total financing amount between foreign companies whose voting rights are 100% directly or indirectly held by the Company or total financing amount granted by the Company to foreign companies whose voting rights are 100% directly or indirectly held by the Company should not exceed the creditor's stockholders' equity based on the latest financial statements that are audited and attested or reviewed by the independent auditors. The financing period should not exceed three years. The restrictions on loans to any individual party are as follows:

- a. the total financing amount to any individual party should not exceed the creditor's stockholders' equity, or the higher of sales/purchases during the year for the purpose of business.
- b. the total financing amount to any individual party should not exceed the creditor's stockholders' equity for the purpose of short-term financing.

(4) Except for (3), the financing period should not exceed one year.

CHICONY POWER TECHNOLOGY CO., LTD. AND SUBSIDIARIES  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2025

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

					As of December 31, 2025				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote	
The Company	Common stock	Powertech Technology Inc.	-	Financial assets at fair value through profit or loss - current (Common stock)	290,000	50,170	0.04	50,170	-
The Company	Common stock	Taiwan Semiconductor Manufacturing Company Limited	-	Financial assets at fair value through profit or loss - current (Common stock)	510,000	790,500	-	790,500	-
The Company	Common stock	ASE Technology Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current (Common stock)	400,000	100,200	0.01	100,200	-
The Company	Common stock	Wistron Corporation	-	Financial assets at fair value through profit or loss - current (Common stock)	500,000	75,250	0.02	75,250	-
The Company	Common stock	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current (Common stock)	100,000	96,300	-	96,300	-
The Company	Common stock	Chen Ding Venture Capital Management Co., Ltd.	The Company is this company's corporate director	Financial assets at fair value through profit or loss - non-current (Common stock)	10,000,000	84,340	7.41	84,340	-
The Company	Common stock	CLEVO CO.	The director of the Company's parent company is the director of the securities issuer	Financial assets at fair value through other comprehensive income - current (Common stock)	4,538,000	175,621	0.73	175,621	-
CPI	Beneficiary certificates	Celesta Capital II, L.P.	-	Financial assets at fair value through profit or loss - non-current (Fund)	3,140,058	75,465	-	75,465	-
CPI	Beneficiary certificates	Celesta Capital IV, L.P.	-	Financial assets at fair value through profit or loss - non-current (Fund)	5,000,000	157,681	-	157,681	-

CHICONY POWER TECHNOLOGY CO., LTD. AND SUBSIDIARIES  
Purchases or sales of goods from or to related parties reaching NTS100 million or 20% of paid-in capital or more  
December 31, 2025

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes / accounts receivable (payable)	
<b>Sales</b>											
The Company	Kapok Computer (KUNSHAN) Co.	Other related party	Sales	(\$ 181,914)	1	60 days	Note 1	Note 1	\$ 41,366	-	-
The Company	Chicony Electronics (Suzhou) Co., Ltd.	Entity controlled by the same parent company	Sales	( 1,130,087)	3	90 days	Note 1	Note 1	391,050	4	-
The Company	Chicony Electronics (Chong Qing) Co., Ltd.	Entity controlled by the same parent company	Sales	( 650,355)	2	90 days	Note 1	Note 1	220,269	3	-
The Company	Mao-Ray Electronics (Dong Guan) Co., Ltd.	Entity controlled by the same parent company	Sales	( 362,387)	1	90 days	Note 1	Note 1	149,645	2	-
The Company	CPUS	Subsidiary	Sales	( 1,314,177)	4	90 days	Note 1	Note 1	574,342	7	-
The Company	CPCQ	Subsidiary	Sales	( 105,741)	-	45 days	Note 1	Note 1	5,075	-	-
CPTH	The Company	The parent company of CPH	Sales	( 5,161,425)	94	45 days	Note 1	Note 1	1,040,500	88	-
CPTH	CET	Entity controlled by the same parent company	Sales	( 242,504)	5	90 days	Note 1	Note 1	125,372	11	-
CPDG	The Company	The parent company of CPH	Sales	( 5,448,418)	84	45 days	Note 1	Note 1	1,916,122	82	-
CPDG	CPTH	Subsidiary	Sales	( 114,459)	2	60 days	Note 1	Note 1	77,592	3	-
CPDG	TORCH	Subsidiary	Sales	( 140,478)	2	150 days	Note 1	Note 1	117,315	5	-
CPDG	DT	Subsidiary	Sales	( 323,146)	5	90 days	Note 1	Note 1	135,587	6	-
CPSZ	Chicony Electronics (Suzhou) Co., Ltd.	Entity controlled by the same parent company	Sales	( 108,625)	1	90 days	Note 1	Note 1	43,998	1	-
CPSZ	The Company	The parent company of CPH	Sales	( 11,023,719)	94	45 days	Note 1	Note 1	5,364,821	96	-
CPSZ	CPTH	Subsidiary	Sales	( 303,573)	3	60 days	Note 1	Note 1	111,590	2	-
CPSZ	CPCQ	Subsidiary	Sales	( 110,069)	1	60 days	Note 1	Note 1	23,305	-	-
CPCQ	The Company	The parent company of CPH	Sales	( 5,674,238)	95	45 days	Note 1	Note 1	3,907,048	98	-
CPCQ	CPSZ	Subsidiary	Sales	( 179,240)	3	60 days	Note 1	Note 1	45,701	1	-
GSE	CPDG	Subsidiary	Sales	( 214,295)	35	60 days	Note 1	Note 1	83,447	43	-
GSE	CPSZ	Subsidiary	Sales	161,039	27	60 days	Note 1	Note 1	34,775	18	-
<b>Purchases</b>											
The Company	CPTH	Subsidiary	Purchases	\$ 5,161,425	19	45 days	Note 2	Note 2	( 1,040,500)	8	-
The Company	CPDG	Subsidiary	Purchases	5,448,418	20	45 days	Note 2	Note 2	( 1,916,122)	15	-
The Company	CPSZ	Subsidiary	Purchases	11,023,719	39	45 days	Note 2	Note 2	( 5,364,821)	43	-
The Company	CPCQ	Subsidiary	Purchases	5,674,238	21	45 days	Note 2	Note 2	( 3,907,048)	31	-
CPUS	The Company	The parent company of CPH	Purchases	1,314,177	100	90 days	Note 2	Note 2	( 574,342)	100	-
CPTH	CPSZ	Subsidiary	Purchases	303,573	7	60 days	Note 2	Note 2	( 111,590)	6	-
CPTH	CPDG	Subsidiary	Purchases	114,459	3	60 days	Note 2	Note 2	( 77,592)	4	-
CPDG	GSE	Subsidiary	Purchases	214,295	4	60 days	Note 2	Note 2	( 83,447)	3	-
CPSZ	GSE	Subsidiary	Purchases	161,039	2	60 days	Note 2	Note 2	( 34,775)	1	-
CPSZ	CPCQ	Subsidiary	Purchases	179,240	2	60 days	Note 2	Note 2	( 45,701)	1	-
CPCQ	The Company	The parent company of CPH	Purchases	105,741	10	45 days	Note 2	Note 2	( 5,075)	-	-
CPCQ	CPSZ	Subsidiary	Purchases	110,069	2	60 days	Note 2	Note 2	( 23,305)	1	-
TORCH	CPDG	Subsidiary	Purchases	140,478	25	150 days	Note 2	Note 2	( 117,315)	39	-
DT	CPDG	Subsidiary	Purchases	323,146	100	90 days	Note 2	Note 2	( 135,587)	100	-

Note 1 : The terms of sales to related parties were not significantly different from those of sales to third parties and offering reasonable sales discounts.

Note 2 : The terms of purchases from related parties were not significantly different from those purchases from third parties.

CHICONY POWER TECHNOLOGY CO., LTD. AND SUBSIDIARIES  
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
December 31, 2025

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
<b>Financial funds receivable</b>								
The Company	CPTH	Subsidiary	\$ 2,083,202	-	\$ -	-	\$ -	-
The Company	CPUS	Second-tier subsidiary	202,075	-	-	-	-	-
CPI	CPHK	Second-tier subsidiary	1,391,592	-	-	-	-	-
CPDG	TORCH	Subsidiary	531,689	-	-	-	-	-
<b>Accounts receivable</b>								
The Company	Chicony Electronics (Suzhou) Co., Ltd.	Entity controlled by the same parent company	\$ 391,050	2.38	\$ -	-	\$ -	-
The Company	Chicony Electronics (Chong Qing) Co., Ltd.	Entity controlled by the same parent company	220,269	2.83	-	-	-	-
The Company	Mao-Ray Electronics (Dong Guan) Co., Ltd.	Entity controlled by the same parent company	149,645	2.31	-	-	-	-
The Company	CPUS	Subsidiary	574,342	2.50	-	-	-	-
CPTH	CET	Entity controlled by the same parent company	125,372	3.87	-	-	-	-
CPTH	The Company	The parent company of CPH	1,040,500	5.44	-	-	-	-
CPDG	The Company	The parent company of CPH	1,916,122	3.14	-	-	-	-
CPSZ	The Company	The parent company of CPH	5,364,821	1.94	-	-	-	-
CPSZ	CPTH	Subsidiary	111,590	4.11	-	-	-	-
CPCQ	The Company	The parent company of CPH	3,907,048	1.43	-	-	-	-
CPDG	TORCH	Subsidiary	117,315	1.51	-	-	-	-
CPDG	DT	Subsidiary	135,587	4.77	-	-	-	-

CHICONY POWER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

December 31, 2025

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

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	The Company	CPUS	1	Sales	\$ 1,314,177	Note 4	4
0	The Company	CPUS	1	Accounts receivable - related party	574,342	Note 4	2
0	The Company	CPTH	1	Other receivables - related party	2,083,202	Note 5	6
1	CPTH	The Company	2	Sales	5,161,425	Note 4	15
1	CPTH	The Company	2	Accounts receivable - related party	1,040,500	Note 4	3
2	CPI	CPHK	3	Other receivables - related party	1,391,592	Note 5	4
3	CPDG	The Company	2	Sales	5,448,418	Note 4	16
3	CPDG	The Company	2	Accounts receivable - related party	1,916,122	Note 4	6
3	CPDG	TORCH	3	Other receivables - related party	531,689	Note 5	2
4	CPSZ	The Company	2	Sales	11,023,719	Note 4	32
4	CPSZ	The Company	2	Accounts receivable - related party	5,364,821	Note 4	16
5	CPCQ	The Company	2	Sales	5,674,238	Note 4	16
5	CPCQ	The Company	2	Accounts receivable - related party	3,907,048	Note 4	12

Other transactions between the parent company and subsidiaries not exceeding 1% of the consolidated total revenue or total assets are not disclosed. Those transactions are shown in other assets and revenue.

Note 1 : The number 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 belong to (If transactions between parent company and subsidiaries or between refer to the same transactions, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions subsidiaries, if one of the subsidiaries has disclosed the transactions, 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 year-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 : Depends on the transaction quantity and the market situation.

Note 5 : The terms of related parties loans depend on both parties' operation situation.

CHICONY POWER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Information on investees  
December 31, 2025

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
The Company	Chicony Power Holdings Inc. (CPH)	BVI	Investment holdings	\$ 326,350 (USD 10,000 thousand)	\$ 326,350 (USD 10,000 thousand)	10,000,000	100	\$ 11,442,950	\$ 422,934	\$ 420,581	Subsidiary
The Company	Chicony Power Technology (Thailand) Co., Ltd. (CPTH)	Thailand	Manufacturing and sales of switching power supplies and other electronics parts	892,346 (THB 990,000 thousand)	892,346 (THB 990,000 thousand)	99,000,000	100	2,044,986	302,257	302,257	Subsidiary
The Company	Diligent Technology (Thailand) Co., Ltd.	Thailand	Manufacturing and sales of switching power supplies and other electronics parts	24,239 (THB 25,000 thousand)	-	10,000,000	100	24,822	( 76)	( 76)	Subsidiary
CPH	Chicony Power International Inc. (CPI)	Cayman Islands	Investment holdings	314,200 (USD 10,000 thousand)	314,200 (USD 10,000 thousand)	10,000,000	100	11,620,790	422,934	-	Subsidiary
CPI	Chicony Power USA, Inc. (CPUS)	U.S.A	Sales of switching power supplies and other electronic parts	41,380 (USD 1,317 thousand)	41,380 (USD 1,317 thousand)	1,500,000	100	85,343	18,914	-	Subsidiary
CPI	Chicony Power Technology Hong Kong Limited (CPHK)	Hong Kong	Research and development center and investment holdings	346,415 (HKD 85,800 thousand)	346,415 (HKD 85,800 thousand)	46,800,000	100	10,122,157	441,295	-	Subsidiary
CPI	WitsLight Technology Co., Ltd. (WTS)	Samoa	Design and R&D of LED lighting modules and investment holdings	324,097 (USD 10,315 thousand)	324,097 (USD 10,315 thousand)	12,800,000	100	( 232,290)	29,630	-	Subsidiary
WTS	Diligent Technology Co., Ltd. (DT)	Taiwan	Design, R&D and sales of automotive and motorcycle lamps and other components	3,000	3,000	300,000	100	( 3,331)	42,970	-	Subsidiary

Note: For the amounts denominated in foreign currencies, profit and loss amounts are translated into New Taiwan dollars at the yearly average exchange rate of 2025, while others are translated into New Taiwan dollars at the spot exchange rates prevailing at the end of the annual reporting period.

CHICONY POWER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

December 31, 2025

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of 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, 3)	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
					Remitted to Mainland China	Remitted back to Taiwan							
Chicony Power Technology (Dong Guan) Co., Ltd.	Manufacturing and sales of switching power supplies and other electronics parts	\$ 593,135	2.(1)	\$ 114,408	\$ -	\$ -	\$ 114,408	\$ 277,769	100	\$ 277,769	\$ 2,101,399	-	-
Chicony Power Technology (Suzhou) Co., Ltd.	Manufacturing and sales of electronics components and LED lighting modules	1,297,467	2.(1)	45,197	-	-	45,197	157,575	100	157,575	5,811,357	-	-
Quang Sheng Electronics (Nangchang) Co., Ltd.	Manufacturing and sales of electronics components and transformers	131,175	2.(1)	33,573	-	-	33,573	151	100	401	257,402	-	-
Chicony Power Technology (Chong Qing) Co., Ltd.	Manufacturing and sales of electronics components	301,744	2.(1)	-	-	-	-	16,745	100	16,745	3,246,887	-	-
Chicony Energy Saving Technology (Shanghai) Co., Ltd.	Smart building solutions	44,379	2.(1)	-	-	-	-	( 5,687)	100	( 5,687)	22,020	-	-
WitsLight Technology (Kushun) Co, Ltd.	Manufacturing and sales of LED lighting modules	331,859	2.(2)	-	-	-	-	( 12,791)	100	( 12,791)	189,738)	-	-
Zhuzhou Torch Auto Lamp CO., Ltd.	Production and sales of automotive and motorcycle components, electric machine and device, lamps and plastic products	228,654	2.(2)	-	-	-	-	( 12,771)	100	( 12,771)	194,884)	-	-
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA										
The Company	\$ 193,178	\$ 2,153,779	\$ 9,166,357										

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 an existing company in the third area, which then invested in the investee in Mainland China. The third areas are as follows:
  - (1) Chicony Power Technology Hong Kong Limited.
  - (2) Witslight Technology Co., Ltd.
3. Others.

Note 2: The gain or loss from investment which recognised in the current period including the recognition and derecognition of realised and unrealised profit or income of upstream and sidestream sales.

Note 3: Based on the financial statements audited by the parent companies' CPA.

Note 4: The numbers in this table are expressed in New Taiwan Dollars.