Shihlin Electric & Engineering Corp.

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Shihlin Electric & Engineering Corp.

Opinion

We have audited the accompanying financial statements of Shihlin Electric & Engineering Corp. (the "Corporation"), which comprise the balance sheets as of December 31, 2025 and 2024, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matter of the Corporation's financial statements for the year ended December 31, 2025 is described as follows:

<u>The Occurrence of Major Customers' Operating Revenue</u>

The Corporation and its subsidiaries are engaged in the manufacture of heavy electrical equipment and machinery and electronic equipment, devices, and related parts. Since there were significant changes in major customers, and the amount and fluctuations of operating revenue may affect financial statement users' understanding of the overall financial statements, the occurrence of operating revenue from major customers with significant growth compared to the same period of the prior year and newly added major customers in 2025 was deemed as a key audit matter. Refer to Notes 4 and 21 to the consolidated financial statements for the related revenue recognition policies and information.

The main audit procedures performed in response to the abovementioned key audit matter were as follows:

1. We obtained an understanding of the design of the relevant internal controls over revenue recognition and tested their operating effectiveness.

2. We performed substantive tests of transactions for major customers. The procedures included selecting appropriate samples and tracing them to external transaction documents and subsequent collections from customers in order to verify the occurrence of transactions and to confirm that the collections were consistent with the counterparties of the transactions.

Other Matter

We did not audit the financial statements of certain investees of the Corporation as of and for the years ended December 31, 2025 and 2024, which were reflected in the accompanying financial statements using the equity method of accounting, but such financial statements were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included in the Corporation's financial statements for such investments, is based solely on the reports of other auditors. The aforementioned equity-method investments amounted to NT$12,232,798 thousand and NT$13,284,177 thousand as of December 31, 2025 and 2024, respectively, which represented 21.71% and 24.54% of the Corporation's total assets, respectively. The Corporation's share of the profit or loss of such subsidiaries and associates amounted to NT$114,180 thousand and NT$340,387 thousand for the years ended December 31, 2025 and 2024, respectively, which represented 2.85% and 9.19% of the Corporation's profit before income tax, respectively. The Corporation's share of the comprehensive (loss) income of such subsidiaries and associates amounted to NT$(1,078,040) thousand and NT$2,981,840 thousand for the years ended December 31, 2025 and 2024, respectively, which represented (98.61%) and 44.58% of the Corporation's total comprehensive income, respectively.

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

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

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation 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 Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 Corporation'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 Corporation'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 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 Corporation to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the 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 financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yao-Lin Huang and Yeh-Wei Chuang.

Yao-Lin Huang Yeh-Wei Chuang

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2026

<u>*Notice to Readers*</u>

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

For the convenience of readers, the independent 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. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 3,359,354	6	$ 1,223,329	2
Contract assets - current (Note 21)	1,730,724	3	1,578,594	3
Notes receivable (Notes 9, 21 and 28)	903,302	2	851,485	2
Trade receivables (Notes 9 and 21)	4,741,274	8	5,141,253	9
Trade receivables from related parties (Notes 21 and 28)	139,789	-	58,678	-
Other receivables	33	-	632	-
Other receivables from related parties (Note 28)	16,763	-	6,304	-
Inventories (Note 10)	8,388,665	15	7,382,022	14
Other current assets (Notes 15, 28 and 29)	3,419,362	6	1,762,006	3
Total current assets	22,699,266	40	18,004,303	33
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	661,566	1	701,342	1
Financial assets at fair value through other comprehensive income - non-current (Notes 8)	2,422,470	4	3,013,376	6
Investments accounted for using the equity method (Note 11)	17,650,529	32	19,683,509	36
Property, plant and equipment (Notes 12, 28 and 29)	5,666,096	10	5,445,254	10
Right-of-use assets (Note 13)	6,434	-	4,854	-
Investment properties (Notes 14 and 29)	6,897,375	12	6,986,968	13
Deferred tax assets (Note 23)	256,514	1	210,112	1
Other non-current assets (Note 29)	82,611	-	72,130	-
Total non-current assets	33,643,595	60	36,117,545	67
TOTAL	$ 56,342,861	100	$ 54,121,848	100

	2025		2024	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	$ 1,000,000	2	$ 704,290	1
Contract liabilities - current (Notes 21 and 28)	9,409,830	17	5,083,442	9
Notes payable	104,909	-	125,782	-
Trade payables	2,682,713	5	4,027,052	7
Trade payables to related parties (Note 28)	514,310	1	405,189	1
Other payables (Note 17)	1,526,872	3	1,375,353	3
Other payables to related parties (Note 28)	35,672	-	36,799	-
Current tax liabilities (Note 23)	447,853	1	390,513	1
Provisions - current (Note 18)	1,754,213	3	1,661,132	3
Lease liabilities - current (Note 13)	5,396	-	1,825	-
Other current liabilities	218,237	-	253,373	1
Total current liabilities	17,700,005	32	14,064,750	26
NON-CURRENT LIABILITIES				
Provisions - non-current (Note 18)	37,391	-	32,671	-
Deferred tax liabilities (Note 23)	2,065,997	4	2,254,068	4
Lease liabilities - non-current (Note 13)	1,113	-	3,058	-
Net defined benefit liabilities - non-current (Note 19)	154,192	-	139,048	1
Other non-current liabilities	91,574	-	90,329	-
Total non-current liabilities	2,350,267	4	2,519,174	5
Total liabilities	20,050,272	36	16,583,924	31
EQUITY (Note 20)				
Ordinary shares	5,209,722	9	5,209,722	9
Capital surplus	2,797,585	5	2,695,304	5
Retained earnings				
Legal reserve	3,862,601	7	3,545,218	7
Special reserve	5,136,954	9	5,136,954	9
Unappropriated earnings	13,875,389	24	13,367,159	25
Total retained earnings	22,874,944	40	22,049,331	41
Other equity	5,410,338	10	7,583,567	14
Total equity	36,292,589	64	37,537,924	69
TOTAL	$ 56,342,861	100	$ 54,121,848	100

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

(With Deloitte & Touche auditors' report dated March 16, 2026)

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

	2025		2024	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 21 and 28)				
Sales	$ 25,796,244	83	$ 25,026,555	88
Rental revenue	486,156	2	479,511	2
Construction revenue	4,788,007	15	3,030,719	10
Total operating revenue	31,070,407	100	28,536,785	100
OPERATING COSTS (Notes 10, 22 and 28)				
Cost of goods sold	20,584,520	66	20,565,369	72
Rental costs	197,692	1	202,051	1
Construction costs	4,147,951	13	2,651,576	9
Total operating costs	24,930,163	80	23,418,996	82
GROSS PROFIT	6,140,244	20	5,117,789	18
OPERATING EXPENSES (Notes 9, 22 and 28)				
Selling and marketing expenses	1,092,264	4	969,821	4
General and administrative expenses	935,511	3	929,510	3
Research and development expenses	545,678	2	586,980	2
Expected credit loss on trade receivables	21,719	-	2,484	-
Total operating expenses	2,595,172	9	2,488,795	9
PROFIT FROM OPERATIONS	3,545,072	11	2,628,994	9
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 22)	21,332	-	31,054	-
Other income (Notes 22 and 28)	93,324	-	74,681	-
Other gains and losses (Notes 22 and 28)	(145,665)	-	146,174	1
Finance costs (Note 22)	(8,111)	-	(11,083)	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method	494,873	2	834,007	3
Total non-operating income	455,753	2	1,074,833	4
PROFIT BEFORE INCOME TAX	4,000,825	13	3,703,827	13
INCOME TAX EXPENSE (Note 23)	733,015	2	678,086	3
NET PROFIT FOR THE YEAR	3,267,810	11	3,025,741	10

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SHIHLIN ELECTRIC & ENGINEERING CORP.

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

	2025		2024	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	$ (63,488)	-	$ 64,849	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(748,781)	(2)	712,748	3
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	(1,191,651)	(4)	2,673,931	9
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	12,697	-	(12,970)	-
Total items not to be reclassified to profit or loss	(1,991,223)	(6)	3,438,558	12
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(200,807)	(1)	271,568	1
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	(22,728)	-	7,706	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 23)	40,162	-	(54,314)	-
Total items that may be reclassified subsequently to profit or loss	(183,373)	(1)	224,960	1
Other comprehensive income for the year, net of income tax	(2,174,596)	(7)	3,663,518	13
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,093,214	4	$ 6,689,259	23
EARNINGS PER SHARE (Note 24)				
Basic	$ 6.27		$ 5.81	
Diluted	$ 6.26		$ 5.80	

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

(With Deloitte & Touche auditors' report dated March 16, 2026) (Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

	Equity Attributable to Owners of the Corporation									
			Retained Earnings				Other Equity			
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
BALANCE ON JANUARY 1, 2024	$ 5,209,722	$ 2,658,913	$ 3,298,427	$ 5,136,954	$ 12,003,033	$ 20,438,414	$ (326,477)	$ 4,444,837	$ 4,118,360	$ 32,425,409
Appropriation of the 2023 earnings										
Legal reserve	-	-	246,791	-	(246,791)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,562,917)	(1,562,917)	-	-	-	(1,562,917)
Changes in equity from investments in associates accounted for using the equity method	-	36,237	-	-	(50,404)	(50,404)	-	-	-	(14,167)
Adjustments to share of changes in equity of subsidiaries	-	154	-	-	-	-	-	186	186	340
Net profit for the year ended December 31, 2024	-	-	-	-	3,025,741	3,025,741	-	-	-	3,025,741
Other comprehensive income for the year ended December 31, 2024 net of income tax	-	-	-	-	53,732	53,732	224,960	3,384,826	3,609,786	3,663,518
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	3,079,473	3,079,473	224,960	3,384,826	3,609,786	6,689,259
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	144,765	144,765	-	(144,765)	(144,765)	-
BALANCE ON DECEMBER 31, 2024	5,209,722	2,695,304	3,545,218	5,136,954	13,367,159	22,049,331	(101,517)	7,685,084	7,583,567	37,537,924
Appropriation of the 2024 earnings										
Legal reserve	-	-	317,383	-	(317,383)	-	-	-	-	-
Cash dividends	-	-	-	-	(2,344,375)	(2,344,375)	-	-	-	(2,344,375)
Changes in equity from investments in associates accounted for using the equity method	-	101,904	-	-	(96,801)	(96,801)	-	-	-	5,103
Adjustments to share of changes in equity of subsidiaries	-	377	-	-	-	-	-	346	346	723
Net profit for the year ended December 31, 2025	-	-	-	-	3,267,810	3,267,810	-	-	-	3,267,810
Other comprehensive income (loss) for the year ended December 31, 2025 net of income tax	-	-	-	-	(51,393)	(51,393)	(183,373)	(1,939,830)	(2,123,203)	(2,174,596)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	3,216,417	3,216,417	(183,373)	(1,939,830)	(2,123,203)	1,093,214
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	50,372	50,372	-	(50,372)	(50,372)	-
BALANCE ON DECEMBER 31, 2025	$ 5,209,722	$ 2,797,585	$ 3,862,601	$ 5,136,954	$ 13,875,389	$ 22,874,944	$ (284,890)	$ 5,695,228	$ 5,410,338	$ 36,292,589

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

(With Deloitte & Touche auditors' report dated March 16, 2026)

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 4,000,825	$ 3,703,827
Adjustments for:		
Depreciation expense	565,768	543,724
Expected credit loss recognized on trade receivables	21,719	2,484
Net loss/(gain) on fair value change of financial assets at fair value through profit or loss	79,956	(39,531)
Finance costs	8,111	11,083
Interest income	(21,332)	(31,054)
Dividend income	(78,756)	(61,306)
Share of profit of subsidiaries and associates accounted for using the equity method	(494,873)	(834,007)
Gain on disposal of property, plant and equipment	(1,505)	(1,660)
Changes in operating assets and liabilities		
Contract assets	(152,130)	117,445
Notes receivable	(51,817)	171,075
Trade receivables	378,260	108,387
Trade receivables from related parties	(81,111)	(15,249)
Other receivables	599	1,620
Other receivables from related parties	(10,459)	2,757
Inventories	(1,049,962)	(290,297)
Other current assets	(1,864,256)	(575,703)
Contract liabilities	4,326,388	(1,436,268)
Notes payable	(20,873)	60,800
Trade payables	(1,334,141)	140,115
Trade payables to related parties	109,121	(56,361)
Other payables	151,639	30,758
Other payables to related parties	(1,127)	6,506
Provisions	97,801	303,198
Other current liabilities	(33,808)	(37,345)
Net defined benefit liabilities	(48,344)	(56,649)
Cash generated from operations	4,495,693	1,768,349
Interest received	21,139	30,959
Interest paid	(8,231)	(11,367)
Income tax paid	(857,289)	(562,849)
Net cash generated from operating activities	3,651,312	1,225,092
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(195,000)	-
Proceeds from sale of financial assets at fair values through other comprehensive income	37,125	99,706
Purchase of financial asset at fair value though profit or loss	(40,180)	(20,400)

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SHIHLIN ELECTRIC & ENGINEERING CORP.

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

	2025	2024
Proceeds from capital reduction of financial assets at fair value through profit or loss	$ -	$ 2,093
Acquisition of associates	-	(9,200)
Payments for property, plant and equipment	(672,942)	(623,926)
Proceeds from disposal of property, plant and equipment	21,482	27,788
Payments for investment properties	(5,353)	(2,163)
Decrease in other financial assets	196,192	93,180
Decrease in other non-current assets	420	1,443
Dividends received from subsidiaries and associates	1,198,493	745,084
Other dividends received	78,756	61,306
Net cash generated from investing activities	618,993	374,911
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	295,710	-
Repayments of short-term borrowings	-	(445,710)
Proceeds from guarantee deposits received	-	329
Refund of guarantee deposits received	(83)	-
Repayment of the principal portion of lease liabilities	(5,532)	(1,363)
Payments for dividends	(2,344,375)	(1,562,917)
Partial acquisition of interests in subsidiaries	(80,000)	(120,800)
Net cash used in financing activities	(2,134,280)	(2,130,461)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,136,025	(530,458)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,223,329	1,753,787
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,359,354	$ 1,223,329

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

(With Deloitte & Touche auditors' report dated March 16, 2026) (Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Shihlin Electric & Engineering Corp. (the "Corporation") was established in November 1955, and engaged in the manufacture of heavy electrical equipment, electrical machinery, electrical automotive equipment and related parts, and also the sale and lease of commercial buildings.

The Corporation's shares have been listed and traded on the Taiwan Stock Exchange since December 1969.

The financial statements are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorized for issue on March 12, 2026.

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As of the date the financial statements were authorized for issue, the Corporation is continuously assessing the other impacts on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These financial statements of the Corporation are its parent company only financial statements and have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

The Corporation is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Corporation's construction-related assets and liabilities.

d. Foreign currencies

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

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

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency which are not retranslated.

For the purposes of presenting the financial statements, the functional currencies of the entities (including operations of the subsidiaries and associates in other countries which used different currencies from the functional currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Corporation's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Corporation losing of control over the subsidiary, the proportionate share of accumulated exchange differences is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

e. Inventories

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

f. Investment in subsidiaries

The Corporation use the equity method to account for its investments in subsidiaries.

Subsidiaries are the entities controlled by the Corporation.

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

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Corporation's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further losses.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Corporation recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Profits and losses resulting from downstream transactions are eliminated in full in the financial statements. Profits and losses transactions from upstream and transactions between subsidiaries are recognized in the financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. Investment in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Corporation uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of equity of associates attributable to the Corporation.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate. The Corporation records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in equity of investment in associates accounted for using the equity method. If the Corporation's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the associate), the Corporation discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

The Corporation discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Corporation continues to apply the equity method and does not remeasure the retained interest.

When the Corporation transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the financial statements only to the extent of interest in the associate that are not related to the Corporation.

h. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method or the fixed-percentage-of-declining-balance method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

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

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method or the fixed-percentage-of-declining-balance method.

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

j. Impairment of property, plant and equipment, right-of-use asset, investment properties and assets related to contract costs

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right-of-use asset and investment properties, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

Before the Corporation recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories and property, plant and equipment related to the contract shall be recognized in accordance with the applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Corporation expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 27.

ii. Financial assets at amortized cost

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

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

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

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit-impaired on purchase or origination but has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

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

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

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

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

l. Provision

Provision is measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

m. Revenue recognition

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

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

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of electric distribution, automobile parts, automation equipment and part. Sales of goods are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables and contract assets are recognized concurrently. Any amounts previously recognized as contract assets are reclassified to trade receivables when the remaining obligations are performed. When the customer initially purchases the goods, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

2) Construction contract revenue

Customers control construction contract while they have constructions in progress, and thus, the Corporation recognizes revenue over time. The Corporation measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations. Contract assets are recognized during the construction and are reclassified to trade receivables at the point at which the customer is invoiced. If the milestone payments exceed the revenue recognized to date, then the Corporation recognizes contract liabilities for the difference. Certain payments, which are retained by the customer as specified in the contract, are intended to ensure that the Corporation adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Corporation satisfies its performance obligations.

n. Leases

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

1) The Corporation as lessor

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Corporation as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur, or when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses, effect of changes to asset ceiling and return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Corporation's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Termination benefits

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

q. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current tax and deferred tax

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Corporation considers the possible impact of US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Corporation's management, the accounting policies, estimates, and assumptions adopted by the Corporation have not been subject to material accounting judgments, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	2024
Cash on hand	$ 1,432	$ 1,247
Checking accounts and demand deposits	2,357,922	1,212,082
Cash equivalents (investments with original maturities of less than 3 months)		
Commercial paper	1,000,000	-
Time deposits	-	10,000
	$ 3,359,354	$ 1,223,329

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

	December 31	
	2025	2024
Bank balance	0.01%-0.71%	0.05%-0.71%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2025	2024
Financial assets - non-current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Unlisted shares	$ 10,722	$ 14,166
Limited partnership	45,736	14,784
Mutual funds	605,108	672,392
	$ 661,566	$ 701,342

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2025	**2024**
Non-current		
Domestic investments		
Listed shares	$ 980,807	$ 1,577,842
Unlisted shares	1,441,663	1,435,534
	$ 2,422,470	$ 3,013,376

These investments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation's strategy of holding these investments for long-term purposes.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2025	**2024**
Notes receivable		
At amortized amount		
Gross carrying amount	$ 903,302	$ 851,485
Trade receivables		
At amortized amount		
Gross carrying amount	$ 4,825,871	$ 5,220,466
Less: Allowance for impairment loss	(84,597)	(79,213)
	$ 4,741,274	$ 5,141,253

The average credit period of sales of goods is 90 days. In order to minimize credit risk, the Corporation authorized a department to be responsible for determining credit limits, credit approvals, credit management and returns of other unusual risks to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated by reference to past default experiences of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of the current direction of economic conditions at the reporting date.

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

The following table details the loss allowance of notes receivable and trade receivables based on the Corporation's provision matrix.

December 31, 2025

	Not Past Due	Past Due Less than 3 Months	Past Due 3 to 6 Months	Past Due 6 Months to 1 Year	Past Due 1+ Year	Total
Expected credit loss rate	0.16%	6.15%	21.16%	42.74%	100%	
Gross carrying amount	$ 5,181,015	$ 328,355	$ 194,052	$ 19,047	$ 6,704	$ 5,729,173
Loss allowance (Lifetime ECLs)	(8,499)	(20,200)	(41,053)	(8,141)	(6,704)	(84,597)
Amortized cost	$ 5,172,516	$ 308,155	$ 152,999	$ 10,906	$ -	$ 5,644,576

December 31, 2024

	Not Past Due	Past Due Less than 3 Months	Past Due 3 to 6 Months	Past Due 6 Months to 1 Year	Past Due 1+ Year	Total
Expected credit loss rate	0.16%	8.95%	18.95%	58.77%	100%	
Gross carrying amount	$ 5,588,180	$ 386,393	$ 63,680	$ 24,879	$ 8,819	$ 6,071,951
Loss allowance (Lifetime ECLs)	(9,104)	(34,598)	(12,070)	(14,622)	(8,819)	(79,213)
Amortized cost	$ 5,579,076	$ 351,795	$ 51,610	$ 10,257	$ -	$ 5,992,738

The movements of the loss allowance of notes receivable and trade receivables were as follows:

	2025	2024
Balance on January 1	$ 79,213	$ 76,868
Add: Net remeasurement of loss allowance	21,719	2,484
Less: Amounts written off	(16,335)	(139)
Balance on December 31	$ 84,597	$ 79,213

10. INVENTORIES

	December 31	
	2025	2024
Finished goods	$ 3,790,901	$ 2,845,099
Work in progress	3,880,901	3,702,366
Raw materials	716,863	834,557
	$ 8,388,665	$ 7,382,022

The cost of goods sold included inventory write-downs of $6,840 thousand and $17,297 thousand for the years ended December 31, 2025 and 2024, respectively.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2025	2024
Investments in subsidiaries	$ 11,454,746	$ 13,053,846
Investments in associates	6,195,783	6,629,663
	$ 17,650,529	$ 19,683,509

a. Investments in subsidiaries

Name of Subsidiaries	December 31 2025	December 31 2024
SEEC International Holdings Ltd. Of the British Virgin Islands (“SEEC International Holdings”)	$ 4,059,289	$ 5,053,352
Yuh Lin Investment Co., Ltd. (“Yuh Lin”)	1,009,438	1,169,565
Hwo Lin Investment Co., Ltd. (“Hwo Lin”)	957,993	1,079,856
Shihlin Electrical Engineering Ltd. of Vietnam (“Shihlin Electric Vietnam”)	491,808	556,278
Shang Lin Investment Co., Ltd. (“Shang Lin”)	957,533	1,102,052
Ruei Lin Electric & Engineering Corp. (“Ruei Lin”)	571,672	581,615
Ji Lin Investment, Co., Ltd. (“Ji Lin”)	652,679	726,042
Jeng Lin Investment Co., Ltd. (“Jeng Lin”)	550,112	628,685
Hsin Lin Electric Machinery Co., Ltd. (“Hsin Lin”)	342,954	337,969
Cheng Lin Investments Co., Ltd. (“Cheng Lin”)	1,016,288	958,663
Tingling Enterprise Co., Ltd. (“Tingling”)	265,579	308,569
Jeen-Lin Industrial Co., Ltd. (“Jeen-Lin”)	136,317	144,900
Shihlin Electric USA Company Limited (“Shihlin Electric USA”)	52,038	9,758
Chuan Lin Scien-Technical Corp. (“Chuan Lin”)	53,081	55,884
Shihlin Electric Green Power Corp. (Shihlin Electric Green Power)	302,937	301,791
Shilin Star Power Corporation (Shilin Star Power)	35,028	38,867
	$ 11,454,746	$ 13,053,846

At the end of the reporting period, the proportions of ownership and voting rights in subsidiaries held by the Corporation were as follows:

Name of Subsidiaries	December 31 2025	December 31 2024
SEEC International Holdings	100.0%	100.0%
Yuh Lin	94.3%	94.3%
Hwo Lin	94.8%	94.8%
Shihlin Electric Vietnam	100.0%	100.0%
Shang Lin	99.6%	99.6%
Ruei Lin	90.0%	90.0%
Ji Lin	99.9%	99.9%
Jeng Lin	89.4%	89.4%
Hsin Lin	60.0%	60.0%
Cheng Lin	99.7%	99.6%

(Continued)

Name of Subsidiaries	December 31 2025	December 31 2024
Tingling	96.7%	96.7%
Jeen-Lin	78.4%	78.4%
Shihlin Electric USA	100.0%	100.0%
Chuan Lin	31.5%	31.5%
Shihlin Electric Green Power	100.0%	100.0%
Shilin Star Power	51.0%	51.0%
		(Concluded)

Refer to Note 32 for the details on the indirectly held investments in subsidiaries.

The sum of the equity ownership of the Corporation and its subsidiaries in Chuan Lin is 73.0%; thus, they have a collective ability of control over Chuan Lin. Hence, it is classified as a subsidiary.

b. Investments in associates

	December 31 2025	December 31 2024
Investments in associates		
Material associate		
The Ambassador Hotel Co., Ltd. (“Ambassador Hotel”)	$ 5,960,104	$ 6,368,104
Associates that are not individually material	235,679	261,559
	$ 6,195,783	$ 6,629,663

1) Material associate

	Proportion of Ownership and Voting Rights	
	December 31	
Name of Associate	2025	2024
Ambassador Hotel	18.2%	18.2%

Refer to Table 5 “Information on Investees” for the nature of activities, principal place of business and country of incorporation of the associate.

The sum of the equity ownership of the Corporation and its subsidiaries in Ambassador Hotel is 21.34%; thus, they have a significant influence over Ambassador Hotel. Hence, it is classified as an associate.

Fair value (Level 1) of investment in associate with available published price quotation is as follows:

Name of Associate	December 31 2025	December 31 2024
Ambassador Hotel	$ 2,887,538	$ 3,687,216

The investment in associate is accounted for using the equity method.

Summarized financial information of the Corporation's material associate set out below represents amounts shown in the associate's financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Corporation for equity accounting purposes.

Ambassador Hotel

	December 31	
	2025	**2024**
Current assets	$ 21,353,171	$ 21,484,471
Non-current assets	19,702,452	20,613,248
Current liabilities	(3,724,454)	(2,692,269)
Non-current liabilities	(4,646,447)	(4,483,521)
Equity	32,684,722	34,921,929
Non-controlling interests	(4,615)	(4,702)
	$ 32,680,107	$ 34,917,227
Proportion of the Corporation's ownership	18.2%	18.2%
Equity attributable to the Corporation	$ 5,960,104	$ 6,368,104
Other adjustments	-	-
Carrying amount	$ 5,960,104	$ 6,368,104

	For the Year Ended December 31	
	2025	**2024**
Total comprehensive income for the year	$ 1,357,085	$ 1,302,587
Profit for the year	$ 232,655	$ 1,036,856
Other comprehensive (loss) income for the year	(2,289,605)	7,443,049
Total comprehensive (loss) income for the year	(2,056,950)	$ 8,479,905
Dividend received from Ambassador Hotel	$ 33,459	$ 66,919

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2025	**2024**
The Corporation's share of:		
(Loss) profit for the year	$ (1,021)	$ 1,852
Other comprehensive (loss) income for the year	(24,198)	57,917
Total comprehensive (loss) income for the year	$ (25,219)	$ 59,769

12. PROPERTY, PLANT AND EQUIPMENT

Assets Used by the Corporation

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress and Equipment under Installation	Total
Cost						
Balance on January 1, 2025	$ 2,450,724	$ 3,611,301	$ 4,414,176	$ 2,301,330	$ 78,418	$ 12,855,949
Additions	-	170,156	285,715	100,866	116,205	672,942
Disposals	-	(8,792)	(192,348)	(106,497)	-	(307,637)
Transferred from inventories	-	-	1,010	19,910	22,399	43,319
Reclassification	-	96,871	14,888	13,806	(135,763)	(10,198)
Balance on December 31, 2025	$ 2,450,724	$ 3,869,536	$ 4,523,441	$ 2,329,415	$ 81,259	$ 13,254,375
Accumulated depreciation and impairment						
Balance on January 1, 2025	$ -	$ 2,311,224	$ 3,211,004	$ 1,888,467	$ -	$ 7,410,695
Depreciation expense	-	95,460	232,952	136,832	-	465,244
Disposals	-	(8,762)	(178,027)	(100,871)	-	(287,660)
Reclassifications	-	64	-	(64)	-	-
Balance on December 31, 2025	$ -	$ 2,397,986	$ 3,265,929	$ 1,924,364	$ -	$ 7,588,279
Carrying amounts on December 31, 2025	$ 2,450,724	$ 1,471,550	$ 1,257,512	$ 405,051	$ 81,259	$ 5,666,096
Cost						
Balance on January 1, 2024	$ 2,460,529	$ 3,427,531	$ 4,265,109	$ 2,222,853	$ 109,762	$ 12,485,784
Additions	-	141,515	297,534	116,959	67,918	623,926
Disposals	(9,805)	(268)	(197,583)	(68,617)	-	(276,273)
Transferred from inventories	-	-	-	20,150	11,913	32,063
Reclassification	-	42,523	49,116	9,985	(111,175)	(9,551)
Balance on December 31, 2024	$ 2,450,724	$ 3,611,301	$ 4,414,176	$ 2,301,330	$ 78,418	$ 12,855,949
Accumulated depreciation and impairment						
Balance on January 1, 2024	$ -	$ 2,230,385	$ 3,172,112	$ 1,817,020	$ -	$ 7,219,517
Depreciation expense	-	81,107	228,425	131,791	-	441,323
Disposals	-	(268)	(189,533)	(60,344)	-	(250,145)
Balance on December 31, 2024	$ -	$ 2,311,224	$ 3,211,004	$ 1,888,467	$ -	$ 7,410,695
Carrying amounts on December 31, 2024	$ 2,450,724	$ 1,300,077	$ 1,203,172	$ 412,863	$ 78,418	$ 5,445,254

The Corporation adopted depreciation methods that were decided at the dates the assets were acquired. The Corporation's depreciation cost is calculated by using the straight-line method for properties bought before January 1, 1988 and on or after January 1, 1999. The Corporation's depreciation cost is calculated by using the fixed-percentage-of-declining-balance method for properties bought in the period from January 1, 1988 to December 31, 1998.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives of the assets as follows:

Buildings	
Main buildings	40-60 years
Building improvements	20-35 years
Electrical power equipment and engineering systems	8-35 years
Others	2-15 years
Machinery and equipment	2-20 years
Other equipment	2-30 years

Property, plant and equipment used by the Corporation and pledged as collateral for bank borrowings are set out in Note 29.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	**2024**
Carrying amounts		
Buildings	$ 6,434	$ 4,854

	For the Year Ended December 31	
	2025	**2024**
Additions to right-of-use assets	$ 7,158	$ 5,555
Depreciation charge for right-of-use assets		
Buildings	$ 5,578	$ 1,390

b. Lease liabilities

	December 31	
	2025	**2024**
Carrying amounts		
Current	$ 5,396	$ 1,825
Non-current	$ 1,113	$ 3,058

Range of discount rates for lease liabilities was as follows:

	December 31	
	2025	**2024**
Buildings	0.61%	0.61%

c. Other lease information

Lease arrangements under operating leases of the Corporation as lessor of investment properties are set out in Note 14.

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	$ 23,564	$ 27,536
Total cash outflow for leases	$ (29,150)	$ (28,912)

The Corporation leases certain office equipment and transportation equipment which qualify as short-term leases. The Corporation has elected to apply the recognition exemption, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INVESTMENT PROPERTIES

	Completed Investment Property
Cost	
Balance on January 1, 2025	$ 10,479,625
Additions	5,353
Balance on December 31, 2025	$ 10,484,978
Accumulated depreciation and impairment	
Balance on January 1, 2025	$ 3,492,657
Depreciation expense	94,946
Balance on December 31, 2025	$ 3,587,603
Carrying amounts on December 31, 2025	$ 6,897,375
Cost	
Balance on January 1, 2024	$ 10,477,462
Additions	2,163
Balance on December 31, 2024	$ 10,479,625
Accumulated depreciation and impairment	
Balance on January 1, 2024	$ 3,391,646
Depreciation expense	101,011
Balance on December 31, 2024	$ 3,492,657
Carrying amounts on December 31, 2024	$ 6,986,968

The abovementioned investment properties were leased out for 1 to 20 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	For the Year Ended December 31	
	2025	**2024**
Not later than 1 year	$ 418,779	$ 405,273
Later than 1 year and not later than 5 years	890,198	1,170,274
Later than 5 years	-	11,801
	$ 1,308,977	$ 1,587,348

In addition to the minimum lease payments receivable, the contract for the Corporation's lease of mall building and parking spaces to Pacific Sogo Department Store Company Limited included contingent rentals clause, which provides that the Corporation shall receive shopping mall's monthly minimum guaranteed rent (minimum guaranteed rent at 6% of revenue) and car parking spaces rent, and at each year end, an extra operating lease payment will be charged if the actual revenue exceeds the minimum revenue base of the guaranteed 6% of revenue.

Investment properties were depreciated by applying straight-line method (before January 1, 1988 and on or after January 1, 1999) or fixed-percentage-of-declining-balance method (in the period from January 1, 1988 to December 31, 1998) over their estimated useful lives of the assets:

Main buildings	50-60 years
Engineering system	5-15 years
Air-conditioning system	8-10 years
Others	3-15 years

The fair value of the Corporation's investment properties as of December 31, 2025 and 2024 was $20,558,323 thousand and $20,871,653 thousand, respectively. The fair value was based on the valuations carried out on January 13, 2026 and 2025 by independent qualified professional valuers. The valuation was carried out by reference to sales comparison approach and income approach.

Refer to Note 29 for the carrying amount of investment properties pledged to secure general banking facilities granted to the Corporation.

15. OTHER ASSETS

	December 31	
	2025	**2024**
Current		
Prepayments for purchases	$ 3,261,205	$ 1,414,811
Prepaid expenses	89,690	70,827
Refundable deposits	31,372	1,409
Other financial assets	31,441	268,304
Others	5,654	6,655
	$ 3,419,362	$ 1,762,006

16. BORROWINGS

Short-term Borrowings

	December 31	
	2025	2024
Unsecured borrowings		
Bank loans (NTD)	$ 1,000,000	$ 700,000
Bank loans (EUR)	-	3,235
Bank loans (JPY)	-	1,055
	$ 1,000,000	$ 704,290

The range of weighted average effective interest rate on bank loans was 1.73%-1.75% and 1.50%-1.73% per annum as of December 31, 2025 and 2024, respectively.

17. OTHER PAYABLES

	December 31	
	2025	2024
Payable for salaries	$ 552,780	$ 519,924
Payable for employees' compensation	214,406	186,766
Payable for annual leave	105,662	95,507
Payable for remuneration of directors	100,000	84,000
Payable for dividends	73,747	73,751
Payable for labor and health insurance	20,778	20,092
Payable for royalties	2,265	2,101
Others	457,234	393,212
	$ 1,526,872	$ 1,375,353

18. PROVISIONS

	December 31	
	2025	2024
Current		
Warranties	$ 1,754,213	$ 1,661,132
Non-current		
Warranties	$ 37,391	$ 32,671

	Warranties
Balance on January 1, 2025	$ 1,693,803
Additional provisions recognized	97,801
Balance on December 31, 2025	$ 1,791,604

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Corporation's obligations for warranties under contracts for the sale of goods. The estimate has been made on the basis of historical warranty trends and may vary as a result of other events affecting product quality.

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

The defined benefit plan adopted by the Corporation in accordance with the Labor Standards Act is operated by the government of the Republic of China (ROC). Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation contributes amounts equivalent to 3% (5% before September 2018) of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Corporation's defined benefit plans were as follows:

	December 31	
	2025	2024
Present value of defined benefit obligation	$ 1,190,234	$ 1,117,513
Fair value of plan assets	(1,036,042)	(978,465)
Net defined benefit liability	$ 154,192	$ 139,048

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance on January 1, 2024	$ 1,254,058	$ (993,512)	$ 260,546
Service costs			
Current service cost	6,336	-	6,336
Past service cost	158	-	158
Net interest expense (income)	15,617	(12,607)	3,010
Recognized in profit or loss	22,111	(12,607)	9,504
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(96,346)	(96,346)
Actuarial loss - changes in financial assumptions	(14,471)	-	(14,471)
Actuarial loss - experience adjustments	45,968	-	45,968
Recognized in other comprehensive income	31,497	(96,346)	(64,849)
Contributions from the employer	-	(39,374)	(39,374)
Benefits paid	(190,153)	163,374	(26,779)
Balance on December 31, 2024	1,117,513	(978,465)	139,048
Service costs			
Current service cost	4,478	-	4,478
Past service cost	498	-	498
Net interest expense (income)	18,047	(16,118)	1,929
Recognized in profit or loss	23,023	(16,118)	6,905
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(71,097)	(71,097)
Actuarial loss - changes in financial assumptions	27,211	-	27,211
Actuarial loss - experience adjustments	107,374	-	107,374
Recognized in other comprehensive income	134,585	(71,097)	63,488
Contributions from the employer	-	(41,500)	(41,500)
Benefits paid	(84,887)	71,138	(13,749)
Balance on December 31, 2025	$ 1,190,234	$ (1,036,042)	$ 154,192

Through the defined benefit plans under the Labor Standards Act, the Corporation is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2025	2024
Discount rate	1.375%	1.625%
Expected rate of salary increase	2.750%	2.750%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2025	2024
Discount rate		
0.250% increase	$ (27,211)	$ (26,793)
0.250% decrease	$ 28,092	$ 27,693
Expected rate of salary increase		
0.250% increase	$ 27,252	$ 26,914
0.250% decrease	$ (26,537)	$ (26,176)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2025	2024
The expected contributions to the plan for the next year	$ 41,500	$ 39,374
The average duration of the defined benefit obligation	9.5 years	10.1 years

20. EQUITY

a. Share capital - ordinary shares

	December 31	
	2025	2024
Number of authorized shares (in thousands)	580,000	580,000
Amount of authorized shares	$ 5,800,000	$ 5,800,000
Number of issued and fully paid shares (in thousands)	520,972	520,972
Amount of issued and fully paid shares	$ 5,209,722	$ 5,209,722

b. Capital surplus

	December 31	
	2025	2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Arising from issuance of common share	$ 1,441,424	$ 1,441,424
Arising from conversion of bonds	970,457	970,457
Arising from treasury share transactions	68,529	68,529
Arising from the difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	75,096	75,096
May only be used to offset a deficit		
Arising from changes in percentage of ownership interest in subsidiaries (2)	12,802	12,425
Arising from changes in equity from investments in associates accounted for using the equity method	227,747	125,843
Arising from treasury share transactions	1,530	1,530
	$ 2,797,585	$ 2,695,304

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

2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy in the Corporation's Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside 10% of the remaining profit as a legal reserve, setting aside a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "employees' compensation and remuneration of directors" in Note 22, h.

The Corporation's Articles also prescribe that 1) not less than 5% of the sum of the remaining annual net income and the previous year's accumulated undistributed earnings shall be appropriated as dividends and 2) of the total dividends, not less than 20% shall be paid in cash. The actual distribution ratio or method of dividend distribution is subjected to the operating situation as determined by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders meeting for the distribution of dividends to shareholders.

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

Items referred to under Rule No. 1010012865 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards" shall be appropriated to or reversed from a special reserve by the Corporation.

The appropriations of earnings for 2024 and 2023, which were approved in the shareholders' meetings on June 13, 2025 and June 19, 2024, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2024	2023
Legal reserve	$ 317,383	$ 246,791
Cash dividends	$ 2,344,375	$ 1,562,917
Cash dividends per share (NT$)	$ 4.5	$ 3.0

The appropriation of earnings for 2025, which were proposed by the Corporation's board of directors on March 12, 2026, were as follows:

	For the Year Ended December 31, 2025
Legal reserve	$ 316,999
Cash dividends	$ 2,604,861
Cash dividends per share (NT$)	$ 5.0

The appropriation of earnings for 2025 will be resolved by the shareholders in their meeting to be held on June 17, 2026.

d. Special reserve

	For the Year Ended December 31	
	2025	2024
Balance on January 1 and balance on December 31	$ 5,136,954	$ 5,136,954

The special reserve appropriated on the first-time adoption of IFRS Accounting Standards relating to land may be reversed on the disposal or reclassification of the related assets. An additional special reserve should be appropriated for the amount equal to the difference between the reversed net debit balance and the appropriated special reserve on the first-time adoption of IFRS Accounting Standards. Any appropriated special reserve may be reversed to the extent that the net debit balance has reversed and, thereafter, is distributed.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ (101,517)	$ (326,477)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(160,645)	217,254
Share from subsidiaries and associates accounted for using the equity method	(22,728)	7,706
Other comprehensive income (loss) recognized for the year	(183,373)	224,960
Balance on December 31	$ (284,890)	$ (101,517)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 7,685,084	$ 4,444,837
Recognized for the year		
Unrealized gain - equity instruments	(748,781)	712,748
Share from subsidiaries and associates accounted for using the equity method	(1,191,049)	2,672,078
Other comprehensive income recognized for the year	(1,939,830)	3,384,826
Transfer of accumulated gain or loss on disposal of equity instruments to retained earnings	(50,372)	(144,765)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal (Note 25)	346	186
Balance on December 31	$ 5,695,228	$ 7,685,084

21. REVENUE

a. Contact balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable (Note 9)	$ 903,302	$ 851,485	$ 1,022,560
Trade receivables, net (Note 9)	$ 4,741,274	$ 5,141,253	$ 5,252,124
Trade receivables from related parties (Note 28)	$ 139,789	$ 58,678	$ 43,429
Contract assets			
Sale of goods	$ 645,980	$ 638,050	$ 569,739
Construction contracts	1,084,744	940,544	1,126,300
Contract assets - current	$ 1,730,724	$ 1,578,594	$ 1,696,039

(Continued)

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities			
Sale of goods	$ 7,667,732	$ 4,562,312	$ 5,360,189
Construction contracts	1,742,098	521,130	1,159,521
Contract liabilities - current	$ 9,409,830	$ 5,083,442	$ 6,519,710

(Concluded)

The credit risk management of contract assets and trade receivables are the same, refer to Note 9.

b. Disaggregation of revenue

2025

	Electric Distribution Segment	Automobile Parts Segment	Automation Equipment and Parts Segment	Other Segment	Total
Type of goods or services					
Sale of goods	$ 20,230,847	$ 3,023,907	$ 2,253,923	$ 287,567	$ 25,796,244
Construction contracts	4,020,080	-	767,927	-	4,788,007
	$ 24,250,927	$ 3,023,907	$ 3,021,850	$ 287,567	$ 30,584,251

2024

	Electric Distribution Segment	Automobile Parts Segment	Automation Equipment and Parts Segment	Other Segment	Total
Type of goods or services					
Sale of goods	$ 19,534,390	$ 3,127,618	$ 1,972,629	$ 391,918	$ 25,026,555
Construction contracts	2,537,795	-	492,924	-	3,030,719
	$ 22,072,185	$ 3,127,618	$ 2,465,553	$ 391,918	$ 28,057,274

22. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2025	2024
Bank deposits	$ 11,127	$ 27,140
Others	10,205	3,914
	$ 21,332	$ 31,054

b. Other income

	For the Year Ended December 31	
	2025	2024
Dividend income		
Investments in equity instruments at FVTOCI	$ 78,756	$ 61,306
Rental income	14,568	13,375
	$ 93,324	$ 74,681

c. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Fair value changes of financial assets		
Financial assets mandatorily classified as at FVTPL	$ (79,956)	$ 39,531
Gain on disposal of property, plant and equipment	1,505	1,660
Net foreign exchange gains (losses)	(44,451)	95,401
Others	(22,763)	9,582
	$ (145,665)	$ 146,174

d. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	$ 8,057	$ 11,070
Interest on finance leases	54	13
	$ 8,111	$ 11,083

e. Depreciation

	For the Year Ended December 31	
	2025	2024
An analysis of depreciation by function		
Operating costs	$ 455,814	$ 444,156
Operating expenses	109,954	99,568
	$ 565,768	$ 543,724

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2025	2024
Generated rental income	$ 47,256	$ 45,370

g. Employee benefits expense

	For the Year Ended December 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	$ 79,058	$ 72,650
Defined benefit plans (Note 19)	6,905	9,504
	85,963	82,154
Other employee benefits	3,099,263	2,900,027
Total employee benefits expense	$ 3,185,226	$ 2,982,181
An analysis of employee benefits expense by function		
Operating costs	$ 1,782,015	$ 1,610,406
Operating expenses	1,403,211	1,371,775
	$ 3,185,226	$ 2,982,181

h. Employees' compensation and remuneration of directors

According to the Corporation's Articles, the Corporation accrues compensation of employees and remuneration of directors at rates of no less than 1%-8% and no higher than 4%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved at the 2025 annual meeting to amend the Company's Articles, explicitly stipulating that no less than 20% of the accrued employee compensation for the year shall be allocated as compensation for frontline employees. The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2025 and 2024, which were approved by the Corporation's board of directors on March 12, 2026 and March 6, 2025, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2025	2024
Employees' compensation	4.66%	4.24%
Remuneration of directors	2.33%	2.12%

Amount

	For the Year Ended December 31	
	2025	2024
	Cash	Cash
Employees' compensation	$ 200,000	$ 168,000
Remuneration of directors	100,000	84,000

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

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

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

23. INCOME TAXES

a. Major components of income tax expense recognized in profit or loss are as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	$ 912,484	$ 705,080
Adjustments for prior years	2,145	27,223
	914,629	732,303
Deferred tax		
In respect of the current year	(176,410)	(54,279)
Adjustments for prior years	(5,204)	62
	(181,614)	(54,217)
Income tax expense recognized in profit or loss	$ 733,015	$ 678,086

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

	For the Year Ended December 31	
	2025	2024
Profit before tax	$ 4,000,825	$ 3,703,827
Income tax expense calculated at the statutory rate	$ 800,165	$ 740,765
Nondeductible expenses in determining taxable income	23,623	35,368
Tax-exempt income	(67,867)	(128,273)
Investment tax credits used in the current year	(37,199)	(34,751)
Unrecognized deductible temporary differences	17,352	37,692
Adjustments for prior years' tax	(3,059)	27,285
Income tax expense recognized in profit or loss	$ 733,015	$ 678,086

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
Deferred tax		
In respect of the current year		
Exchange differences on translation the financial statements of foreign operations	$ (40,162)	$ 54,314
Remeasurement on defined benefit plans	(12,697)	12,970
Total income tax (benefit) expense recognized in other comprehensive income	$ (52,859)	$ 67,284

c. Current tax liabilities

	December 31	
	2025	2024
Current tax liabilities		
Income tax payable	$ 447,853	$ 390,513

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2025

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Inventory write-downs	$ 21,160	$ 64	$ -	$ 21,224
Provisions	118,566	6,846	-	125,412
Defined benefit plans	27,810	(9,669)	12,697	30,838
Exchange differences on translating the financial statements of foreign operations	23,208	-	34,448	57,656
Payables for annual leave	19,101	2,031	-	21,132
Others	267	(15)	-	252
	$ 210,112	$ (743)	$ 47,145	$ 256,514
Deferred tax liabilities				
Temporary differences				
Depreciation differences on property, plant and equipment	$ 242,372	$ (434)	$ -	$ 241,938
Rental revenue receivables	16,470	111	-	16,581
Investments accounted for using the equity method	764,495	(170,461)	-	594,034
Financial assets at FVTPL	47,049	(13,931)	-	33,118
Exchange differences on translation the financial statements of foreign operations	5,714	-	(5,714)	-
Reserve for land value increment tax	1,175,718	-	-	1,175,718
Others	2,250	2,358	-	4,608
	$ 2,254,068	$ (182,357)	$ (5,714)	$ 2,065,997

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Inventory write-downs	$ 20,384	$ 776	$ -	$ 21,160
Provisions	97,342	21,224	-	118,566
Defined benefit plans	52,109	(11,329)	(12,970)	27,810
Exchange differences on translating the financial statements of foreign operations	71,808	-	(48,600)	23,208
Payables for annual leave	15,818	3,283	-	19,101
Others	6,445	(6,178)	-	267
	$ 263,906	$ 7,776	$ (61,570)	$ 210,112
Deferred tax liabilities				
Temporary differences				
Depreciation differences on property, plant and equipment	$ 246,565	$ (4,193)	$ -	$ 242,372
Rental revenue receivables	16,358	112	-	16,470
Investments accounted for using the equity method	816,919	(52,424)	-	764,495
Financial assets at FVTPL	39,235	7,814	-	47,049
Exchange differences on translation the financial statements of foreign operations	-	-	5,714	5,714
Reserve for land value increment tax	1,175,718	-	-	1,175,718
Others	-	2,250	-	2,250
	$ 2,294,795	$ (46,441)	$ 5,714	$ 2,254,068

e. Deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2025	2024
Deductible temporary differences	$ 1,495,570	$ 1,408,810

f. Income tax assessments

The Corporation’s income tax returns through 2023 have been assessed by the tax authority.

24. EARNINGS PER SHARE

	For the Year Ended December 31	
	2025	2024
Basic earnings per share	$ 6.27	$ 5.81
Diluted earnings per share	$ 6.26	$ 5.80

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

Net Profit for the Year

	For the Year Ended December 31	
	2025	2024
Earnings used in the computation of basic and diluted earnings per share	$ 3,267,810	$ 3,025,741

Weighted Average Number of Ordinary Shares Outstanding

(In Thousands of Shares)

	For the Year Ended December 31	
	2025	2024
Weighted average number of ordinary shares outstanding used in the computation of basic earnings per share	520,972	520,972
Effect of potentially dilutive ordinary shares		
Employees' compensation	1,378	1,024
Weighted average number of ordinary shares outstanding used in the computation of diluted earnings per share	522,350	521,996

If the Corporation may settle compensation paid to employees in cash or shares, the Corporation shall assume that the entire amount of the compensation will be settled in shares, and the resulting potentially dilutive shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. Such dilutive effect of the potential shares shall be included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. PARTIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES - WITHOUT LOSS OF CONTROL

On March 12, 2025, the Corporation did not subscribe additional new shares of Cheng Lin at existing ownership percentage and increased the ownership percentage from 99.6% to 99.7%.

On March 18, 2024, the Corporation did not subscribe additional new shares of Cheng Lin at existing ownership percentage and increased the ownership percentage from 99.5% to 99.6%.

The above transactions were accounted for as equity transactions, since the Corporation did not cease to have control over these subsidiaries.

For the year ended December 31, 2025

	Cheng Lin
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	$ 723
Reattribution of other equity to (from) non-controlling interests	
Unrealized gain (loss) on financial assets at FVTOCI	(346)
Differences recognized from equity transactions	$ 377

Line items adjusted for equity transactions

Capital surplus - changes in percentage of ownership interest in subsidiaries	$ 377

For the year ended December 31, 2024

	Cheng Lin
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	$ 340
Reattribution of other equity to (from) non-controlling interests	
Unrealized gain (loss) on financial assets at FVTOCI	(186)
Differences recognized from equity transactions	$ 154

Line items adjusted for equity transactions

Capital surplus - changes in percentage of ownership interest in subsidiaries	$ 154

26. CAPITAL MANAGEMENT

In order to maintain the Corporation’s competitiveness in the market and to continually generate profits and grow as well as to reward shareholders, it makes decision based on industry features and current operations and future development plans, and after considering factors such as changes in the external environment, plan for future working capital requirements, research and development expenses, dividend payments and other needs.

Management regularly reviews the capital structure and considers various structures that may involve different considerations of cost and risk. According to scale in the industry, industry growth and future product roadmaps, the Corporation plans for an appropriate market share. In addition, the Corporation plans the required funding that corresponds to capital expenditure needs, as well as calculates the working capital based on the characteristics of the industry and provides an overall plan for the Corporation’s long term development. Lastly, the Corporation estimates the needed contribution margin and ratio, ratio of profit from operations and cash flows to support the competitiveness of its products; as well as it considers the industry business cycle fluctuations and risk factors such as product life cycle to determine an appropriate capital structure for the Corporation.

27. FINANCIAL INSTRUMENTS

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

The Corporation's management believes that the carrying amount of financial assets not measured at fair value approximates their fair value.

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

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Unlisted shares	$ -	$ -	$ 10,722	$ 10,722
Limited partnership	-	-	45,736	45,736
Mutual funds	605,108	-	-	605,108
	$ 605,108	$ -	$ 56,458	$ 661,566
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Listed shares	$ 980,807	$ -	$ -	$ 980,807
Unlisted shares	-	-	1,441,663	1,441,663
	$ 980,807	$ -	$ 1,441,663	$ 2,442,470

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Unlisted shares	$ -	$ -	$ 14,166	$ 14,166
Limited partnership	-	-	14,784	14,784
Mutual funds	672,392	-	-	672,392
	$ 672,392	$ -	$ 28,950	$ 701,342
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Listed shares	$ 1,577,842	$ -	$ -	$ 1,577,842
Unlisted shares	-	-	1,435,534	1,435,534
	$ 1,577,842	$ -	$ 1,435,534	$ 3,013,376

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

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

For the year ended December 31, 2025

Equity Instruments	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance on January 1, 2025	$ 28,950	$ 1,435,534	$ 1,464,484
Recognized in profit or loss (included in other gains and losses)	(12,672)	-	(12,672)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	(151,746)	(151,746)
Purchases	40,180	195,000	235,180
Sales	-	(37,125)	(37,125)
Balance on December 31, 2025	$ 56,458	$ 1,441,663	$ 1,498,121
Recognized in other gains and losses - unrealized	$ (12,672)		$ (12,672)

For the year ended December 31, 2024

Equity Instruments	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance on January 1, 2024	$ 11,081	$ 1,683,377	$ 1,694,458
Recognized in profit or loss (included in other gains and losses)	(438)	-	(438)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	262,393	262,393
Purchases	20,400	-	20,400
Sales	(2,093)	(99,706)	(101,799)
Transfer out of Level 3	-	(410,530)	(410,530)
Balance on December 31, 2024	$ 28,950	$ 1,435,534	$ 1,464,484
Recognized in other gains and losses - unrealized	$ (438)		$ (438)

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

The fair values of limited partnership and unlisted equity securities were determined using the income approach, and asset approach.

The income approach based on discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees; the asset approach evaluates the fair value by assessing the total value of individual assets and individual liabilities of the investment target.

c. Categories of financial instruments

	December 31	
	2025	2024
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 661,566	$ 701,342
Financial assets at amortized cost (1)	10,996,911	7,583,352
Financial assets at FVTOCI	2,422,470	3,013,376
Financial liabilities		
Financial liabilities at amortized cost (2)	4,401,805	5,362,389

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables and other financial assets.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, trade payables and other financial liabilities.

d. Financial risk management objectives and policies

The Corporation's major financial instruments included cash and cash equivalents, equity investments, mutual funds, notes receivable, trade receivables, trade payables and borrowings. The Corporation's Finance division provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Corporation through the analysis of exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Corporation's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (refer to (a) below), interest rates (refer to (b) below) and other price risk (refer to (c) below).

a) Foreign currency risk

The Corporation had foreign currency denominated sales and purchases, which exposed the Corporation to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period, refer to Note 31.

<u>Sensitivity analysis</u>

The Corporation was mainly exposed to the USD, RMB and JPY.

The following table details the Corporation’s sensitivity to a 1% increase and a 1% decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and representing management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the year for a 1% change in foreign currency rates. A positive number below indicates an increase (decrease) in pre-tax profit when the New Taiwan dollar strengthened by 1% against the relevant foreign currency. Conversely, a negative number below indicates a decrease in pre-tax profit when the New Taiwan dollar weakened by 1% against the relevant foreign currency.

	USD Impact		RMB Impact		JPY Impact	
	For the Year Ended December 31		For the Year Ended December 31		For the Year Ended December 31	
	2025	2024	2025	2024	2025	2024
Profit or loss	$ (11,898) (i)	$ (11,305) (i)	$ (566) (ii)	$ (1,047) (ii)	$ (1,294) (iii)	$ (1,471) (iii)

i. This was mainly attributable to the exposure on outstanding USD bank deposits, receivables and payables which were not hedged at the end of the reporting period.

ii. This was mainly attributable to the exposure on outstanding RMB bank deposits, receivables and payables which were not hedged at the end of the reporting period.

iii. This was mainly attributable to the exposure on outstanding JPY bank deposits, receivables and payables which were not hedged at the end of the reporting period.

The Corporation’s sensitivity to foreign currency has not changed significantly from the previous year.

b) Interest rate risk

The Corporation was exposed to interest rate risk because the Corporation borrowed funds at both fixed and floating interest rates. The Corporation pays attention to changes in market interest rates in order to make plans to manage interest rate risk.

The carrying amounts of the Corporation’s financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2025	2024
Fair value interest rate risk		
Financial assets	$ 42,634	$ 278,283
Financial liabilities	1,000,000	704,290

c) Other price risk

The Corporation was exposed to price risk through its investments in listed equity securities and mutual funds. The Corporation has appointed a special team to monitor the price risk and make plans to manage the price risk.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to the price risks of the aforementioned investments at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by $6,616 thousand and $7,013 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2025 and 2024 would have increased/decreased by $24,225 thousand and $30,134 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Corporation's sensitivity to price risk has not changed significantly from the prior year.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk which will cause a financial loss to the Corporation due to failure of counterparties to discharge an obligation and financial guarantees provided by the Corporation could arise from:

a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantees issued by the Corporation.

The credit risk on liquid funds and derivatives was limited because the counterparties are reputable banks.

The table below analyzes the collaterals held as security and other credit enhancements, and their financial effect in respect of the financial assets recognized in the Corporation's balance sheets:

December 31, 2025

		Maximum Exposure to Credit Risk Mitigated by		
	Carrying Amount	**Collateral**	**Other Credit Enhancements**	**Total**
Credit-impaired financial instruments according to impairment criteria in IFRS 9				
Receivables and contract assets	$ 7,515,089	$ 273,018	$ 287,641	$ 560,659

December 31, 2024

	Carrying Amount	Maximum Exposure to Credit Risk Mitigated by Collateral	Other Credit Enhancements	Total
Credit-impaired financial instruments according to impairment criteria in IFRS 9				
Receivables and contract assets	$ 7,630,010	$ 245,940	$ 150,161	$ 396,101

3) Liquidity risk

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

The Corporation relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Corporation had available unutilized short-term bank loan facilities of $9,708,000 thousand and $9,935,710 thousand, respectively.

Liquidity and interest risk rate table for non-derivative financial liabilities

The following table details the Corporation's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 1,078,098	$ 1,600,743	$ 631,354	$ 7,469	$ 157,841
Lease liabilities	450	899	4,069	1,116	-
Fixed interest rate liabilities	500,743	500,806	-	-	-
Refund liability	11,248	22,496	33,741	-	-
	$ 1,590,539	$ 2,124,944	$ 660,164	$ 8,585	$ 157,841

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 1,487,235	$ 2,186,430	$ 893,938	$ 7,839	$ 156,240
Lease liabilities	152	304	1,392	3,073	-
Fixed interest rate liabilities	150,025	551,130	4,290	-	-
Refund liability	8,803	17,606	26,409	-	-
	$ 1,646,215	$ 2,755,470	$ 926,029	$ 10,912	$ 156,240

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

28. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in other notes, the details of transactions between the Corporation and other related parties are disclosed below.

a. Related parties and relationships:

Name of Related Party	Relationship with the Corporation
Mitsubishi Electric Corporation of Japan (Mitsubishi Electric)	Investor that has significant influence over the Corporation
Shihlin Electric USA	Subsidiary
Hsin Lin	Subsidiary
Jeen-Lin	Subsidiary
Chuan Lin	Subsidiary
Ruei Lin	Subsidiary
Shilin Star Power	Subsidiary
New Star Charging Technology Corp.	Associate
Shihlin Electric Vietnam	Subsidiary
Shihlin Electric Engineering Equipment Vietnam Company Limited (Vietnam Electric Engineering Equipment)	Subsidiary
Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd. (Changzhou Shihlin Mitsuba)	Subsidiary
Xiamen Shihlin Electric & Engineering Co., Ltd. (Xiamen SEEC)	Subsidiary
Suzhou Shihlin Electric & Engineering Co., Ltd. (Suzhou SEEC)	Subsidiary
Wuxi Shihlin Electric & Engineering Co., Ltd. (Wuxi SEEC)	Subsidiary
Shihlin Electric (Suzhou) Power Equipment Co., Ltd. (Suzhou Power Equipment)	Subsidiary
Changzhou Shihlin Auto Parts Co., Ltd.	Subsidiary
Shihlin Technology (Shenzhen) Co., Ltd.	Subsidiary
Yeangder Entertainment Co., Ltd. (Yeang Der Entertainment)	Subsidiary
Wuling Electric Co., Ltd. (Wuling)	Subsidiary
Mitsubishi Electric Shihlin Automotive Changzhou Co., Ltd.	Associate
Mitsuba Shihlin Electric (Wuhan) Co., Ltd. (Wuhan Mitsuba Shihlin)	Associate

(Continued)

Name of Related Party	Relationship with the Corporation
Ambassador Hotel	Associate
Rui Young Optronics Corp. ("Rui Young Optronics")	Associate
Mitsubishi Electric Taiwan Co., Ltd. (Mitsubishi Taiwan)	Subsidiary of investor that has significant influence over the Corporation
Mitsubishi Electric Automation Corporation of Taiwan (Mitsubishi Electric Automation Taiwan)	Subsidiary of an investor with significant influence over the Corporation (renamed Mitsubishi Electric Automation Taiwan Corporation in May 2024 from Sunshine Enterprise Co.)
HCT Logistics Co., Ltd. (HCT Logistics)	Related party in substance

(Concluded)

b. Operating revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2025	2024
Sales	Subsidiaries	$ 300,585	$ 268,673
	Subsidiaries of investors that have significant influence over the Corporation	25,664	12,671
	Related parties in substance	13,421	199
	Investors that have significant influence over the Corporation	2,452	15,728
	Associates	401	405
		$ 342,523	$ 297,676
Rental revenue	Subsidiaries of investors that have significant influence over the Corporation	$ 25,122	$ 25,287
	Related parties in substance	34,884	32,049
		$ 60,006	$ 57,336

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31 2025	2024
Investors that have significant influence over the Corporation	$ 68,447	$ 57,181
Subsidiaries		
Hsin Lin	2,268,973	2,109,159
Others	1,988,282	1,725,285
Subsidiaries of investors that have significant influence over the Corporation	1,508,733	1,256,356
	$ 5,834,435	$ 5,147,981

d. Contract liabilities

Related Party Category/Name	For the Year Ended December 31 2025	2024
Subsidiaries	$ 1,549	$ -
Related parties in substance	4,150	-
	$ 5,699	$ -

e. Receivables from related parties

Line Item	Related Party Category/Name	December 31 2025	2024
Notes receivable from related parties	Subsidiaries	$ 714	$ 314
Trade receivables from related parties	Subsidiaries		
	Changzhou Shihlin Mitsuba	$ 27,576	$ 7,148
	Xiamen SEEC	35,512	30,658
	Vietnam Electric Engineering Equipment	21,067	2,925
	Hsin Lin	42,707	-
	Suzhou SEEC	2,163	9,392
	Others	9,306	2,152
	Investors that have significant influence over the Corporation	-	2,945
	Associates	227	100
	Subsidiaries of investors that have significant influence over the Corporation	898	3,165
	Related parties in substance	333	193
		$ 139,789	$ 58,678
Other receivables from related parties	Associates		
	Wuhan Mitsuba Shihlin	$ 4,720	$ 4,720
	Subsidiaries		
	Suzhou SEEC	9,991	117
	Others	1,368	394
	Subsidiaries of investors that have significant influence over the Corporation	398	-
	Related parties in substance		
	HCT Logistics	286	1,073
		$ 16,763	$ 6,304

f. Payables to related parties

Line Item	Related Party Category/Name	December 31 2025	December 31 2024
Trade payables to related parties	Subsidiaries		
	Chuan Lin	$ 79,776	$ 54,522
	Vietnam Electric Engineering Equipment	79,458	41,270
	Others	140,696	125,111
	Investors that have significant influence over the Corporation	-	2,151
	Subsidiaries of investors that have significant influence over the Corporation		
	Mitsubishi Electric Automation Taiwan	214,380	182,135
		$ 514,310	$ 405,189
Other payables to related parties	Investors that have significant influence over the Corporation		
	Mitsubishi Electric	$ 34,322	$ 32,166
	Related parties in substance	659	786
	Associates	326	1,313
	Subsidiaries of investors that have significant influence over the Corporation	242	2,355
	Subsidiaries	123	179
		$ 35,672	$ 36,799

g. Prepayments (included in other current assets)

Related Party Category/Name	December 31 2025	December 31 2024
Subsidiaries		
Hsin Lin	$ 996,819	$ -
Others	18,198	59,788
Subsidiary of investor that have significant influence over the Corporation	84,834	88,549
Investors that have significant influence over the Corporation	6,261	-
	$ 1,106,112	$ 148,337

h. Disposal of property, plant and equipment

Related Party Category/Name	Disposal of Price		Disposal of Interests	
	2025	2024	2025	2024
Subsidiaries				
Suzhou SEEC	$ 10,074	$ -	$ 176	$ -
Associates				
Rui Young Optronics	-	13,731	-	3,925
	$ 10,074	$ 13,731	$ 176	$ 3,925

i. Other transactions with related parties

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2025	2024
Royalty expenses	Investors that have significant influence over the Corporation		
	Mitsubishi Electric	$ 32,116	$ 33,886
Freight expenses	Related parties in substance	$ 4,194	$ 4,710
Rental expenses	Subsidiaries	$ 1,302	$ 1,260
	Related parties in substance	1,316	1,289
		$ 2,618	$ 2,549
Commission expenses	Subsidiaries		
	Shihlin Electric USA	$ 69,490	$ 2,517
Advertising expenses	Subsidiaries		
	Yeang Der Entertainment	$ 12,000	$ 13,000
	Others	1,265	179
		$ 13,265	$ 13,179
Rental revenue (included in other income)	Subsidiaries		
	Hsin Lin	$ 12,138	$ 12,150
	Shilin Star Power	2,400	1,200
	Others	30	25
		$ 14,568	$ 13,375
Management service revenue (included in other gains and losses)	Subsidiaries		
	Suzhou SEEC	$ 11,688	$ 12,135
	Xiamen SEEC	6,975	7,259
	Shilin Star Power	4,680	-
	Others	4,237	4,067
	Associates		
	Wuhan Mitsuba Shihlin	5,499	5,304
		$ 33,079	$ 28,765

Line Item	Related Party Category/Name	For the Year Ended December 31 2025	2024
Miscellaneous revenue (included in other gains and losses)	Subsidiaries of investors that have significant influence over the Corporation	$ 87	$ 11,448
	Related parties in substance	1,771	2,274
	Subsidiaries	127	198
		$ 1,985	$ 13,920

The transactions with related parties were made at prices and terms comparable to those that would be obtained in similar transactions with non-related parties.

The aforementioned rentals collected or paid monthly were based on those prevailing in the market.

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

The outstanding payables to related parties are unsecured.

j. Remuneration of key management personnel

	For the Year Ended December 31 2025	2024
Short-term employee benefits	$ 194,061	$ 147,480
Post-employment benefits	2,031	1,755
	$ 196,092	$ 149,235

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets have been mortgaged as collateral for bank credit lines, performance guaranty, and a deposit for management and maintenance of public open space:

	December 31 2025	2024
Demand deposits (included in other current assets)	$ 25,699	$ 25,699
Time deposits (included in other current assets and other non-current assets)	42,634	38,787
Land (included in property, plant and equipment and investment properties)	6,635,862	6,635,862
Buildings, net (included in property, plant and equipment)	147,148	159,400
Machinery equipment, net (included in property, plant and equipment)	13	-
	$ 6,851,356	$ 6,859,748

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Corporation as of December 31, 2025 were as follows:

a. The Corporation and several foreign companies have signed technical cooperation contracts respectively, and these contracts expired between January 2026 and July 2027. According to the technical cooperation contract, in addition to the down payment, the Corporation shall pay the technical royalties regularly according to the agreed percentage based on the net amount that the sales of technical cooperation products after deducting the prescribed fees. For the years ended December 31, 2025 and 2024, royalties were $37,981 thousand and $34,765 thousand, respectively.

b. As of December 31, 2025 and 2024, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately $436,218 thousand and $370,425 thousand, respectively.

c. Unrecognized commitments were as follows:

	December 31	
	2025	**2024**
Acquisition of property, plant and equipment	$ 215,299	$ 230,932

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 41,235	31.43 (USD:NTD)	$ 1,296,005
JPY	666,319	0.2008 (JPY:NTD)	133,797
RMB	37,836	4.50 (RMB:NTD)	170,109
Non-monetary items			
Investments accounted for using the equity method			
USD	131,817	31.43 (USD:NTD)	4,143,006
VND	419,485,578	0.0012 (VND:NTD)	492,896
Others			
USD	18,790	31.43 (USD:NTD)	590,559
Financial liabilities			
Monetary items			
RMB	25,252	4.50 (RMB:NTD)	113,534
USD	3,379	31.43 (USD:NTD)	106,198
JPY	22,038	0.2008 (JPY:NTD)	4,425

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 37,849	32.79 (USD:NTD)	$ 1,240,874
JPY	775,708	0.2099 (JPY:NTD)	162,821
RMB	37,996	4.48 (RMB:NTD)	170,146
Non-monetary items			
Investments accounted for using the equity method			
USD	154,948	32.79 (USD:NTD)	5,079,963
VND	440,666,877	0.0013 (VND:NTD)	557,444
Others			
USD	20,138	32.79 (USD:NTD)	660,212
Financial liabilities			
Monetary items			
RMB	14,613	4.48 (RMB:NTD)	65,438
USD	3,367	32.79 (USD:NTD)	110,374
JPY	74,676	0.2099 (JPY:NTD)	15,674

Please refer to the statements of comprehensive income for the aggregate of realized and unrealized foreign currency exchange gains and losses for the years ended December 31, 2025 and 2024. Due to various kinds of foreign currency transactions, it is not possible to disclose exchange gains and losses separately for material impacts of foreign currency.

32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Table 1.

2) Endorsements/guarantees provided: Table 2.

3) Significant marketable securities held (excluding investments in subsidiaries and associates): Table 3.

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

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

b. Information on investees: Table 5.

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6.

2) Any of significant transactions with investee companies in mainland China, either directly or indirectly through a company in third area, and their prices, payment terms, and unrealized gains or losses: None.

TABLE 1

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)
													Item	Value		
1	Wuxi Shihlin Electric & Engineering Co., Ltd.	Changzhou Shihlin Auto Parts Co., Ltd.	Other receivables from related parties	Yes	$ 92,516	$ 89,432	$ 89,432	2.7-3.2	2	$ -	Operational turnaround	$ -	-	$ -	$ 136,179	$ 136,179

Note 1: The Corporation is indicated by No. 0, investees are numbered in order from No. 1.

Note 2: Nature of financing as follows:

a. Business relationship is indicated by No. 1.
b. Short-term financing is indicated by No. 2.

Note 3: The following information was in accordance with the recent financial statements as of December 31, 2025 received from the following companies. Wuxi Shihlin Electric & Engineering Co., Ltd. had a net value limit of 40% that amounted to $136,179 thousand in equity (net value of $340,449 thousand as of December 31, 2025 × 40%).

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 5)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 5)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 5)
		Name	Relationship (Note 2)										
0	Shihlin Electric & Engineering Corp.	Vietnam Electric Engineering Equipment Vietnam Company Limited	a and b	$ 7,258,517 (Note 3)	$ 132,820	$ 125,720	$ -	$ -	0.16	$ 18,146,294 (Note 4)	Y	-	-
		Changzhou Shihlin Auto Parts Co., Ltd.	b	7,258,517 (Note 3)	365,257	345,730	136,384	-	0.45	18,146,294 (Note 4)	Y	-	Y
		Wuxi Shihlin Electric & Engineering Co., Ltd.	a and b	7,258,517 (Note 3)	166,026	157,150	-	-	0.21	18,146,294 (Note 4)	Y	-	Y
		Suzhou Shihlin Electric & Engineering Co., Ltd.	a and b	7,258,517 (Note 3)	99,615	94,290	-	-	0.12	18,146,294 (Note 4)	Y	-	Y
		Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	a and b	7,258,517 (Note 3)	99,615	94,290	64,042	-	0.12	18,146,294 (Note 4)	Y	-	Y
		Shihlin Technology (Shenzhen) Co., Ltd.	a and b	7,258,517 (Note 3)	23,129	22,358	-	-	0.03	18,146,294 (Note 4)	Y	-	Y
		Shihlin Electrical Engineering Ltd. of Vietnam	a and b	7,258,517 (Note 3)	166,026	157,150	-	-	0.21	18,146,294 (Note 4)	Y	-	-

Note 1: Endorser/Guarantor is numbered as follows:

a. Corporation: 0.
b. Investee sequentially numbered by Arabic numerals from 1.

Note 2: Relationships between the endorser/guarantor and the party being endorsed/guaranteed are as follows:

a. A company that the Corporation has business relationship with.
b. The Corporation owns directly or indirectly over 50% ownership of the investee company.
c. The company that owns directly or indirectly hold over 50% ownership of the Corporation.
d. In between companies that were held over 90% of voting shares directly or indirectly by an entity.
e. The Corporation is required to provide guarantees or endorsements for the construction project based on the construction contract.
f. Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages.
g. According to Consumer Protection Act, companies in the same industry enter into collateral performance guarantees for pre-construction home sales agreements.

Note 3: For subsidiaries that the Corporation holds more than 50% of the shares, 20% of the net value of the Corporation's latest financial statements is the limit for endorsement of a single enterprise, which is calculated to be $7,258,517 thousand (net value of $36,292,589 thousand as of December 31, 2025 × 20%).

Note 4: The maximum limit is 50% of the net value of the Corporation's latest financial statements, which is calculated to be $18,146,294 thousand (net value of $36,292,589 thousand as of December 31, 2025 × 50%).

Note 5: The company as subsidiary's guarantor, subsidiary as parent company's guarantor and guarantee companies from China are marked Y.

SHIHLIN ELECTRIC & ENGINEERING CORP.

SIGNIFICANT MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025			
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
Shihlin Electric & Engineering Corp.	Shares						
	Arch Meter Corporation	The Corporation is a director	Financial assets at FVTOCI	5,636,050	$ 342,673	13.1	$ 342,673
	Jine De Sheng Co., Ltd.	The Corporation is a supervisor	Financial assets at FVTOCI	6,616,016	215,153	7.7	215,153
	HCT Logistics Co., Ltd.	Same chairman	Financial assets at FVTOCI	3,157,721	357,580	1.3	357,580
	Guangxin Venture Capital Co., Ltd.	The Corporation is a director	Financial assets at FVTOCI	22,500,000	215,325	15.0	215,325
	HD Renewable Energy Co., Ltd.	-	Financial assets at FVTOCI	5,618,266	554,523	4.0	554,523

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)	
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total
Shihlin Electric & Engineering Corp.	Hsin Lin Electric Machinery Co., Ltd.	Subsidiary	Purchase	$ 2,268,973	7.9	Payment in 60 days after acceptance	$ -	-	$ -	-
	Mitsubishi Electric Automation Corporation of Taiwan	Subsidiary of investor that has significant influence over the Corporation	Purchase	1,386,953	4.8	Payment in 55 days after acceptance	-	-	(214,380)	(4.5)
	Xiamen Shihlin Electric & Engineering Co., Ltd.	Sub-subsidiary	Purchase	180,533	0.6	Payment in 75 days after acceptance	-	-	(12,397)	(0.3)
	Chuan Lin Scien-Technical Corp.	Subsidiary	Purchase	458,109	1.6	Payment in 90 days after acceptance	-	-	(79,776)	(1.7)
	Ruei Lin Electric & Engineering Corp.	Subsidiary	Purchase	190,819	0.7	Payment in 30 days after acceptance	-	-	(40,679)	(0.8)
	Suzhou Shihlin Electric & Engineering Co., Ltd.	Sub-subsidiary	Purchase	168,897	0.6	Payment in 105 days after acceptance	-	-	(9,387)	(0.2)
	Shihlin Electric Engineering Equipment Vietnam Company Limited	Sub-subsidiary	Purchase	532,903	1.8	Payment in 90 days after acceptance	-	-	(79,458)	(1.7)
	Xiamen Shihlin Electric & Engineering Co., Ltd.	Sub-subsidiary	Sale	(131,341)	(0.5)	Collect receivables in 90 days after acceptance	-	-	35,512	0.4
	Mitsubishi Electric Taiwan Co., Ltd.	Subsidiary of the Company's directors	Purchase	121,780	0.4	Payment in 120 days after acceptance	-	-	-	-
	Wuxi Shihlin Electric & Engineering Co., Ltd.	Sub-subsidiary	Purchase	108,128	0.4	Payment in 90 days after acceptance	-	-	(20,119)	(0.4)
	Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	Sub-subsidiary	Sale	(105,102)	(0.5)	Collect receivables in 90 days after acceptance	-	-	27,576	0.3
Changzhou Shihlin Auto Parts Co., Ltd.	Mitsubishi Electric Automotive (China) Ltd.	Subsidiary of the Company's directors	Sale	(287,734)	(44.3)	Collect receivables in 60 days after acceptance	-	-	184,946	64.7
Hsin Lin Electric Machinery Co., Ltd.	Shihlin Electric & Engineering Co.	Parent company	Sale	(2,268,973)	(100.0)	Collect receivables in 60 days after acceptance	-	-	-	-
Xiamen Shihlin Electric & Engineering Co., Ltd.	Shihlin Electric & Engineering Co	Ultimate parent company	Sale	(180,533)	(10.4)	Collect receivables in 75 days after acceptance	-	-	12,397	20.1
Chuan Lin Scien-Technical Corp.	Shihlin Electric & Engineering Co.	Parent company	Sale	(458,109)	(100.0)	Collect receivables in 90 days after acceptance	-	-	79,776	100.0
Ruei Lin Electric & Engineering Corp.	Shihlin Electric & Engineering Co.	Parent company	Sale	(190,819)	(68.4)	Collect receivables in 30 days after acceptance	-	-	40,679	93.0
Suzhou Shihlin Electric & Engineering Co., Ltd.	Shihlin Electric & Engineering Co.	Ultimate parent company	Sale	(168,897)	(26.8)	Collect receivables in 105 days after acceptance	-	-	9,387	3.3
Xiamen Shihlin Electric & Engineering Co., Ltd.	Shihlin Electric & Engineering Co.	Ultimate parent company	Purchase	131,341	11.1	Payment in 90 days after acceptance	-	-	(35,512)	(59.2)
Shihlin Electric Engineering Equipment Vietnam Company Limited	Shihlin Electric & Engineering Co.	Parent company	Sale	(532,903)	(55.0)	Collect receivables in 90 days after acceptance	-	-	79,458	50.2
Changzhou Shihlin Auto Parts Co., Ltd.	Shihlin Electric & Engineering Co.	Parent company	Purchase	105,102	13.6	Payment in 90 days after acceptance	-	-	(27,576)	(13.6)
Wuxi Shihlin Electric & Engineering Co., Ltd	Shihlin Electric & Engineering Co.	Parent company	Sale	(108,128)	(10.4)	Collect receivables in 90 days after acceptance	-	-	20,119	20.4

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	%	Carrying Amount			
Shihlin Electric & Engineering Corp.	SEEC International Holdings Ltd. of the British Virgin Islands	British Virgin Islands	Investment and trade business	$ 1,583,877	$ 1,583,877	48,828,287	100.0	$ 4,059,289	$ 144,692	$ 129,864 (Note 1)	Subsidiary
	Shihlin Electrical Engineering Ltd. of Vietnam	Vietnam DongNai	Electrical goods production	57,521	57,521	(Note 5)	100.0	491,808	78,032	78,104 (Note 1)	Subsidiary
	Shihlin Electric USA Company Limited	California	The heavy electrical equipment product marketing promotion services	79,879	79,879	2,500,000	100.0	52,038	42,300	42,300	Subsidiary
	Yuh Lin Investment Co., Ltd.	Taipei	Investment	429,896	429,896	42,990,000	94.3	1,009,438	6,316	5,956	Subsidiary
	Hwo Lin Investment Co., Ltd.	Taipei	Investment	499,885	499,885	49,990,000	94.8	957,992	8,980	8,513	Subsidiary
	Ji Lin Investment, Co., Ltd.	Taipei	Investment	379,882	379,882	37,990,000	99.9	652,679	1,753	1,752	Subsidiary
	Jeng Lin Investment Co., Ltd.	Taipei	Investment	229,896	229,896	22,990,000	89.4	550,112	4,659	4,165	Subsidiary
	Cheng Lin Investments Co., Ltd.	Taipei	Investment	618,038	538,038	61,807,000	99.7	1,016,287	16,047	15,999	Subsidiary
	Shang Lin Investment Co., Ltd.	Taipei	Investment	598,032	598,032	59,807,000	99.6	957,533	7,886	7,855	Subsidiary
	Hsin Lin Electric Machinery Co., Ltd.	Taipei	A variety of power transmission and distribution, data storage and processing equipment, machinery and communications equipment, electronic components and telecommunications equipment manufacturing, electronic materials and retail business	24,000	24,000	2,880,000	60.0	342,954	85,959	51,641	Subsidiary
	Ruei Lin Electric & Engineering Corp.	Hsinchu County	Mechanical appliances and electrical manufacturing various components of the processing of trading business	163,487	163,487	10,274,053	90.0	571,672	105,066	95,304 (Note 2)	Subsidiary
	Jeen-Lin Industrial Co., Ltd.	Hsinchu County	Manufacture of various metal machinery, purchase and sale of various metal materials, manufacture, purchase, sale, import and export of the products from aforementioned activities of which the first mold is managed by the Corporation	47,978	47,978	5,346,364	78.4	136,317	8,970	7,042 (Note 3)	Subsidiary
	Chuan Lin Scien-Technical Corp.	Hsinchu County	Operating a variety of vending machines and the sale of the maintenance service, vending machines set of management consultancy services, mechanical refrigeration and air conditioning equipment and affairs of the sale and installation of mechanical equipment business, the sale of a variety of heavy electrical machinery and mechanical appliances of automation equipment maintenance holds business, import and export business before the products, trading and export business of the switch	4,100	4,100	410,000	31.5	53,081	22,472	7,082	Subsidiary
	Tingling Enterprise Co., Ltd.	Taipei	Mechanical parking equipment manufacture of lifting equipment and toll system sale maintenance and automated warehousing equipment manufacturing business maintenance and agents at home and abroad before the manufacturers product pricing and distribution operations as well as the import and export business	123,760	123,760	12,188,000	96.7	265,579	659	637	Subsidiary
	Chan Der Investment Corp.	Taipei	Investment	51,030	51,030	2,438,783	8.1	126,874	32,457	2,629	Associate
	Cheng Der Investment Corp.	Taipei	Investment	18,950	18,950	1,149,177	3.6	27,146	8,126	293	Associate
	Yu Der Investment Corp.	Taipei	Investment	26,180	26,180	2,618,000	4.8	47,861	(36,194)	(1,737)	Associate
	Shihlin Electric Green Power Corp.	Taipei	Investment consulting, management consulting, other consulting services, international trade, leasing, real estate leasing, information software services, data processing services, electronic information supply services, general advertising services, power generation, transmission, and distribution machinery manufacturing, self-use renewable energy power generation equipment, energy technology service and general investment	300,000	300,000	30,000,000	100.0	302,937	1,146	1,146	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount December 31, 2025	Original Investment Amount December 31, 2024	As of December 31, 2025 Shares	As of December 31, 2025 %	As of December 31, 2025 Carrying Amount	Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
	968 Digital Information Co., Ltd.	Taipei	Information software services, data processing services, electronic information supply services, information software wholesale, information software retail, wholesale of computer and business machinery equipment, retailing of computer and business machinery equipment, international trade, temporary labor services, management consulting, Investment consulting, general investment and leasing	$ 10,000	$ 10,000	1,000,000	33.3	$ 11,433	$ 1,777	$ 593	Associate
	Gochabar Co., Ltd.	New Taipei City	A variety of power transmission and distribution, installation and maintenance, electronic components manufacturing, telecommunications equipment wholesale and retail, parking area operators, information software and technical services, product designing, repair and leasing	24,000	24,000	2,400,000	20.0	13,148	(14,513)	(2,902)	Associate
	Shilin Star Power Corporation	Taipei	Manufacture of equipment for electric vehicle charging piles and optical charging and storage solutions.	40,800	40,800	4,080,000	51.0	35,028	(4,311)	(3,839)	Subsidiary
	New Star Charging Technology Corp.	Taipei	Sales, control and operation of equipment related to electric vehicle charging piles and optical charging and storage solutions.	9,200	9,200	920,000	46.0	9,218	224	103	Associate
	The Ambassador Hotel Co., Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	1,912,495	1,912,495	66,918,617	18.2	5,960,104	210,041	42,373	Associate
Ruei Lin Electric & Engineering Corp.	Shihlin Electric Engineering Equipment Vietnam Company Limited	Vietnam DongNai	Manufacture of mechanical equipment, mechanical appliances and their components; transmission and distribution and sales; and installation engineering; wired and wireless telecommunications wiring project; and related products import and export trade business	83,770	83,770	(Note 5)	100.0	352,013	98,647	-	Sub-subsidiary
	Wuling Electric Co., Ltd.	New Taipei City	Manufacturing, processing and sales of mechanical and electrical parts, power distribution equipment and switch products	25,197	25,197	1,500,000	30.0	34,397	10,370	-	Sub-subsidiary
	De Hong Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	2.4	106,891	59,789	-	Associate
Ji Lin Investment, Co., Ltd.	Chang Hong Investment Corp.	Taipei	Investment	130,017	130,017	13,002,000	16.1	260,795	23,936	-	Associate
	Yu Hong Investment Corp.	Taipei	Investment	50,000	50,000	5,000,000	2.5	97,513	(10,397)	-	Associate
	Yu Der Investment Corp.	Taipei	Investment	60,017	60,017	6,002,000	11.1	111,078	(36,194)	-	Associate
	Yeangder Entertainment Co., Ltd.	Taipei	Engaged in competitive and recreational sports industry	15,000	15,000	1,500,000	37.5	12,554	603	-	Sub-subsidiary
	The Ambassador Hotel Co., Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	52,160	52,160	1,631,000	0.4	145,265	210,041	-	Associate
Shang Lin Investment Co., Ltd.	Chan Der Investment Corp.	Taipei	Investment	16,680	16,680	1,668,000	5.6	87,402	32,457	-	Associate
	Cheng Der Investment Corp.	Taipei	Investment	20,000	20,000	2,000,000	6.4	48,486	8,126	-	Associate
	Yu Hong Investment Corp.	Taipei	Investment	120,000	120,000	12,000,000	6.0	233,797	(10,397)	-	Associate
	Chang Hong Investment Corp.	Taipei	Investment	20,000	20,000	2,000,000	2.5	40,135	23,936	-	Associate
	The Ambassador Hotel Co., Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	54,799	54,799	1,506,000	0.4	134,132	210,041	-	Associate
	Xin He Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	3.5	64,452	22,638	-	Associate
	De Hong Investment Corp.	Taipei	Investment	130,000	130,000	13,000,000	7.7	347,621	59,789	-	Associate
Jeng Lin Investment Co., Ltd.	Cheng Der Investment Corp.	Taipei	Investment	77,012	77,012	5,733,342	18.4	139,049	8,126	-	Associate
	Xin He Investment Corp.	Taipei	Investment	59,970	59,970	5,997,000	5.2	96,772	22,638	-	Associate
	The Ambassador Hotel Co., Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	67,855	67,855	2,421,000	0.7	215,627	210,041	-	Associate
	De Hong Investment Corp.	Taipei	Investment	70,000	70,000	7,000,000	4.2	187,284	59,789	-	Associate

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	%	Carrying Amount			
Hwo Lin Investment Co., Ltd.	Xin He Investment Corp.	Taipei	Investment	$ 30,000	$ 30,000	3,000,000	2.6	$ 48,293	$ 22,638	$ -	Associate
	Yu Hong Investment Corp.	Taipei	Investment	100,019	100,019	10,002,000	5.0	195,026	(10,397)	-	Associate
	Chan Der Investment Corp.	Taipei	Investment	49,011	49,011	4,700,956	15.7	246,229	32,457	-	Associate
	De Hong Investment Corp.	Taipei	Investment	86,019	86,019	8,002,000	4.8	213,783	59,789	-	Associate
	Chang Hong Investment Corp.	Taipei	Investment	20,000	20,000	2,000,000	2.5	40,135	23,936	-	Associate
	Yeangder Entertainment Co., Ltd.	Taipei	Engaged in competitive and recreational sports industry	25,000	25,000	2,500,000	62.5	20,922	603	-	Sub-subsidiary
	The Ambassador Hotel Co., Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	85,585	85,585	2,633,000	0.7	234,509	210,041	-	Associate
Yuh Lin Investment Co., Ltd.	Chan Der Investment Corp.	Taipei	Investment	40,000	40,000	1,389,558	4.6	72,835	32,457	-	Associate
	Chang Hong Investment Corp.	Taipei	Investment	70,000	70,000	7,000,000	8.6	140,390	23,936	-	Associate
	Xin He Investment Corp.	Taipei	Investment	140,009	140,009	14,001,000	12.2	225,676	22,638	-	Associate
	De Hong Investment Corp.	Taipei	Investment	90,000	90,000	9,000,000	5.4	240,730	59,789	-	Associate
	Yu Der Investment Corp.	Taipei	Investment	26,000	26,000	2,600,000	4.8	48,061	(36,194)	-	Associate
	The Ambassador Hotel Co., Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	83,369	83,369	2,640,000	0.7	235,132	210,041	-	Associate
	Yu Hong Investment Corp.	Taipei	Investment	70,000	70,000	7,000,000	3.5	136,283	(10,397)	-	Associate
Cheng Lin Investments Co., Ltd.	Chuan Lin Scien-Technical Corp.	Hsinchu County	Various sale and service maintenance of vending machines, vending machine business management consultant business, refrigerated air conditioning machinery and mechanical appliances of installation and other businesses, a variety of electro-mechanical equipment sale for automated machinery and equipment repair and installation services, import and export of various products, the switch before sale and import and export business	9,747	9,747	540,000	41.5	70,000	22,472	-	Subsidiary
	Ruei Lin Electric & Engineering Corp.	Hsinchu County	All kinds of electrical machinery equipment and components of manufacturing and processing transactions	1,000	1,000	100,000	0.9	5,599	105,066	-	Subsidiary
	Xin He Investment Corp.	Taipei	Investment	180,000	180,000	18,000,000	15.6	290,315	22,638	-	Associate
	Yu Hong Investment Corp.	Taipei	Investment	160,000	120,000	16,000,000	8.0	311,729	(10,397)	-	Associate
	Yu Der Investment Corp.	Taipei	Investment	20,000	20,000	2,000,000	3.7	36,993	(36,194)	-	Associate
	De Hong Investment Corp.	Taipei	Investment	80,000	40,000	8,000,000	4.8	213,783	59,789	-	Associate
	The Ambassador Hotel Co., Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	19,337	19,337	558,000	0.2	49,698	210,041	-	Associate
Chuan Lin Scien-Technical Corp.	Ruei Lin Electric & Engineering Corp.	Hsinchu County	All kinds of electrical machinery equipment and components of manufacturing and processing transactions	687	687	42,626	0.4	2,320	105,066	-	Subsidiary
	De Hong Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	2.4	107,245	59,789	-	Associate
Tingling Enterprise Co., Ltd.	De Hong Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	2.4	107,169	59,789	-	Associate
	Yu Hong Investment Corp.	Taipei	Investment	80,000	80,000	8,000,000	4.0	156,138	(10,397)	-	Associate
	The Ambassador Hotel Co., Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	266	266	10,000	-	891	210,041	-	Associate
Hsin Lin Electric Machinery Co., Ltd.	Hsinlin International Investment Corp. of Samoa	Samoa	Investment	57,693	57,693	1,130,000	100.0	52,050	5,725	-	Sub-subsidiary
	Yuh Lin Investment Co., Ltd.	Taipei	Investment	26,000	26,000	2,600,000	5.7	61,016	6,316	-	Subsidiary
	Hwo Lin Investment Co., Ltd.	Taipei	Investment	27,000	27,000	2,700,000	5.1	51,538	8,980	-	Subsidiary
	Jeng Lin Investment Co., Ltd.	Taipei	Investment	27,000	27,000	2,700,000	10.5	64,611	4,659	-	Subsidiary
	Wuling Electric Co., Ltd.	New Taipei City	Manufacturing, processing and sales of mechanical and electrical parts, power distribution equipment and switch products	25,197	25,197	1,500,000	30.0	34,397	10,370	-	Sub-subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	%	Carrying Amount			
Jeen-Lin Industrial Co., Ltd.	Yu Hong Investment Corp.	Taipei	Investment	$ 40,000	$ 40,000	4,000,000	2.0	$ 77,932	$ (10,397)	$ -	Associate
Shihlin Electric Green Power Corp.	Rui Young Optronics Corp.	Taipei	Investment consulting, management consulting, other consulting services, international trade, leasing, real estate leasing, information software services, data processing services, electronic information supply services, general advertising services, power generation, transmission, and distribution Machinery manufacturing, self-use renewable energy power generation equipment, energy technology service, general investment and specialized area development	84,000	84,000	8,400,000	30.0	84,114	248	-	Associate

Note 1: The adjusted unrealized gross profit and realized gross profit consist of downstream, upstream and sidestream transactions.

Note 2: The adjusted unrealized gross profit and realized gross profit consist of downstream transactions.

Note 3: The adjusted unrealized gross profit and realized gross profit consist of upstream transactions.

Note 4: The adjusted unrealized gross profit of sidestream transactions.

Note 5: The limited companies do not have shares.

(Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

Investee Company in Mainland China	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025
					Outward	Inward						
Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	Motorcycle starter motors, magneto, starter switch manufacturing and sales business	$ 192,835	b (Note 3)	$ 41,316 (Note 5)	$ -	$ -	$ 41,316 (Note 5)	$ 85,624	55.0	$ 46,322 (Note 6)	$ 343,730	$ 399,870
Xiamen Shihlin Electric & Engineering Co., Ltd.	All kinds of switches, relays, circuit breakers and other products and components of the production, trafficking, technical advice and after sales service	391,115	b (Note 3)	325,403	-	-	325,403	64,643	100.0	65,935 (Note 6)	818,431	826,778
Suzhou Shihlin Electric & Engineering Co., Ltd.	Capacitors, transformers, electric motors and other electronic components manufacturing and sales business	401,584	b (Note 3)	247,193	-	-	247,193	102,813	100.0	102,201 (Note 6)	903,717	472,749
Wuxi Shihlin Electric & Engineering Co., Ltd.	Magneto and starter motor in locomotive transmission facilities, mobile and starter motors, power generators, and DC motor manufacturing and sales business	312,552	b (Note 3)	283,033	-	-	283,033	9,127	100.0	(5,700) (Note 6)	340,449	12,134
Mitsubishi Electric Shihlin Automotive Changzhou Co., Ltd.	Motorcycle starter motors, magneto, ignition coils and other control or distribution equipment manufacturing and sales business	167,512	b (Note 3)	37,021	-	-	37,021	(139,986)	49.0	(68,593) (Note 6)	453,084	1,257,405
Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	High- and low-pressure switch, switchgear, digital meters, transformers, capacitors, reactors, bridge and related products manufacturing and sales business	174,614	b (Note 3)	56,439	-	-	56,439	27,440	50.5	13,857 (Note 6)	129,580	189,672
Mitsuba Shihlin Electric (Wuhan) Co., Ltd.	Automotive cooling fans, wiper systems, starter, fuel pump, electronic control systems and other automotive electrical parts and accessory collar manufacturing sales and service business	230,811	b (Note 3)	103,865	-	-	103,865	46,291	45.0	20,831 (Note 6)	238,400	597,318
Shihlin Technology (Shenzhen) Co., Ltd.	Electronic products, machinery, mechanical and electrical equipment, industrial electric equipment, plastic products technology development, design, technical advice, technology transfers, wholesale, commission agent, import/export and related business	32,000	b (Note 3)	32,000	-	-	32,000	800	100.0	800 (Note 6)	33,042	15,191
Xiamen Chen-Ieu Transportation Implements Co., Ltd.	Manufacturing and motorcycle metal materials, electronic parts, all kinds of punch products parts, machine tools, machine tools, etc.	72,679	b (Note 3)	- (Note 7)	-	-	- (Note 7)	4,731	100.0	4,171 (Note 6)	90,753	-
Mitsubishi Electric Low Voltage Equipment (Xiamen) Co., Ltd.	Low-voltage circuit breakers, magnetic switches of low voltage electrical apparatus and its components, such as research and development, manufacturing and after-sales service and technical advisory services	194,805	b (Note 3)	58,441	-	-	58,441	(70,535)	30.0	(21,130) (Note 6)	54,556	3,939
Changzhou Shihlin Auto Parts Co., Ltd.	Motorcycle starter motors, magneto, starter switch manufacturing and sales business	303,173	b (Note 3)	183,948 (Note 8)	-	-	183,948 (Note 8)	5,673	100.0	5,763 (Note 6)	385,187	252,110
Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	High and low pressure switch, switchgear, digital meters, transformers, capacitors, reactors, bridge and related products manufacturing and sales business	174,614	b (Note 4)	22,173 (Note 9)	-	-	22,173 (Note 9)	27,440	20.0 (Note 9)	5,488 (Note 6)	51,319	69,704

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$1,368,659 (Note 10)	$1,368,659 (Note 10)	No upper limit on the amount of investment. (Note 11)

Note 1: The methods of making investments in mainland China include the following:

a. Direct investment in mainland China.
b. Investment in mainland China through companies registered in third region.
c. Other methods.

Note 2: Recognized gain or loss in investment:

a. If it is in preparation and there is no investment gain (loss), it should be indicated.

b. The recognition of investment gain (loss) is divided into the following three types, it should be indicated.

1) The financial statement is audited and attested by certified public accounting firm with all cooperative relations with the Republic of China Accounting Firm.
2) The financial statement is audited and attested by certified public accountants of Taiwan.
3) Others.

Note 3: SEEC International Holdings Ltd. of the British Virgin Islands is the investor in third area.

Note 4: Hsinlin International Investment Corp. of Samoa, is the investor in third area.

Note 5: It has been deducted that the accumulated outward remittances for investment from Taiwan in the amount of $38,567 thousand for establishment of Changzhou Shihlin Auto Parts Co., Ltd. since spin-off in May 2013.

Note 6: Recognized gain and loss are based on Note 2. b. 2.

Note 7: The accumulated outward remittance for investment from Taiwan at the beginning and end of the year did not include $86,768 thousand of dividends received from investee company in mainland China.

Note 8: Changzhou Shihlin Mitsuba Electric has spun-off to Changzhou Shihlin Auto Parts Co., Ltd. in May 2013, which has accumulated outward remittance for investment from Taiwan in the amount of $38,567 thousand.

Note 9: The accumulated outward remittance for investment from Taiwan and the ownership of investment are the investment of Hsin Lin Electric Machinery Co., Ltd. through Hsinlin International Investment Corp. of Samoa.

Note 10. It excludes the investment of Hsin Lin Electric Machinery Co., Ltd. in mainland China.

Note 11: According to an issued operational headquarters' document from the Industrial Development Bureau, MOEA, which is still valid within the period, there is no upper limit on the Corporation's amount of investment.

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SHIHLIN ELECTRIC & ENGINEERING CORP.

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SHIHLIN ELECTRIC & ENGINEERING CORP.

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

Item	Description	Amount
Cash on hand		$ 1,432
Cash in banks		
Checking accounts and demand deposits		1,728,755
Foreign currency deposits	Including US$13,519 thousand @31.43, JPY648,479 thousand @0.2008, AUD393 thousand @21.01, PHP134 thousand @0.5335, EUR470 thousand @36.90, CAD275 thousand @22.94, RMB9,267 thousand @4.50 and CHF10 thousand @39.62	629,167
		2,357,922
Cash equivalents (investments with original maturities of 3 months or less)		
Commercial paper		1,000,000
		$ 3,359,354

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Client Name	Amount
Non-related party	
A Company	$ 441,738
B Company	404,685
C Company	385,992
D Company	334,458
E Company	264,025
Others (Note)	2,994,973
	4,825,871
Less: Allowance for impairment loss	(84,597)
	$ 4,741,274
Related party	
Hsin Lin Electric Machinery Co., Ltd.	$ 42,707
Xiamen Shihlin Electric & Engineering Co., Ltd.	35,512
Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	27,576
Shihlin Electrical Engineering Ltd. of Vietnam	21,067
Wuxi Shihlin Electric & Engineering Co., Ltd.	7,352
Others (Note)	5,575
	$ 139,789

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

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF CHANGES IN CONTRACT ASSETS AND CONTRACT LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

	Accumulated Amount of Construction Cost Incurred Plus Recognized Profits					Accumulated Amount of Progress Billings				Contract	Contract
Name of Construction	Balance on January 1, 2025	Increase in Construction Cost Incurred	Increase in Recognized Profits	Contractual Completion	Balance on December 31, 2025	Balance on January 1, 2025	Increase in Progress Billings	Contractual Completion	Balance on December 31, 2025	Assets, Net, December 31, 2025	Liabilities, Net, December 31, 2025
SE10003	$ 4,599,613	$ -	$ -	$ -	$ 4,599,613	$ 4,571,351	$ 10,311	$ -	$ 4,581,662	$ 17,951	$ -
SE10004	3,060,000	-	-	(3,060,000)	-	3,060,000	-	(3,060,000)	-	-	-
SE10006	1,258,508	-	-	-	1,258,508	1,231,549	-	-	1,231,549	26,959	-
SE10012	397,586	399,281	21,015	-	817,882	297,200	11,987	-	309,187	508,695	-
ECZ	-	-	-	-	-	-	-	-	-	6,250	-
ELT	-	-	-	-	-	-	-	-	-	3,552	-
IL5104151	29,755	-	(176)	(29,579)	-	28,698	881	(29,579)	-	-	-
IL5104153	72,626	-	692	(73,318)	-	72,727	591	(73,318)	-	-	-
IL5106105	179,927	-	-	-	179,927	176,835	-	-	176,835	3,092	-
IL5108001	349,212	-	-	-	349,212	293,548	33,176	-	326,724	22,488	-
IL5108004	95,504	-	-	-	95,504	83,394	-	-	83,394	12,110	-
IL5108101	113,740	-	-	-	113,740	108,726	-	-	108,726	5,014	-
IL5109101	13,195	-	-	-	13,195	12,821	-	-	12,821	374	-
IL5109151	259,210	395	78	-	259,683	249,624	3,170	-	252,794	6,889	-
IL5109152	171,225	-	-	-	171,225	147,180	17,315	-	164,495	6,730	-
IL5110201	22,185	-	-	(22,185)	-	22,185	-	(22,185)	-	-	-
IL5110304	81,169	170	-	(81,339)	-	76,111	5,228	(81,339)	-	-	-
IL5110151	65,124	-	-	-	65,124	38,808	19,730	-	58,538	6,586	-
IL5110102	24,412	-	-	-	24,412	24,379	-	-	24,379	33	-
IL5110057	13,600	-	-	(13,600)	-	13,600	-	(13,600)	-	-	-
IL5110106	48,398	-	-	-	48,398	45,956	2,419	-	48,375	23	-
IL5110107	42,723	-	-	-	42,723	36,444	511	-	36,955	5,768	-
IL5110308	37,596	-	-	-	37,596	35,483	1,625	-	37,108	488	-
IL5110204	52,612	290	46	-	52,948	17,000	-	-	17,000	35,948	-
IL5110155	167,905	-	-	-	167,905	104,187	52,094	-	156,281	11,624	-
IL5111242	22,044	-	-	-	22,044	20,391	827	-	21,218	826	-
IL5111121	10,971	-	-	-	10,971	6,752	3,376	-	10,128	843	-
IL5111243	35,058	-	-	-	35,058	7,049	-	-	7,049	28,009	-
IL5111281	18,229	-	-	-	18,229	17,590	-	-	17,590	639	-
IL5111284	34,912	-	-	-	34,912	25,200	-	-	25,200	9,712	-
IL5111286	11,001	-	-	-	11,001	7,700	-	-	7,700	3,301	-
IL5111294	14,557	-	-	(14,557)	-	14,557	-	(14,557)	-	-	-
IL5111122	45,694	-	-	-	45,694	28,011	4,696	-	32,707	12,987	-
IL5111287	12,000	-	-	(12,000)	-	12,000	-	(12,000)	-	-	-
IL5111247	22,620	-	-	-	22,620	18,531	609	-	19,140	3,480	-
IL5111252	17,400	-	-	-	17,400	15,573	261	-	15,834	1,566	-
IL5111251	9,918	-	-	-	9,918	4,160	4,160	-	8,320	1,598	-
IL5111297	19,800	-	-	(19,800)	-	19,800	-	(19,800)	-	-	-
IL5111250	83,388	-	-	-	83,388	47,635	20,637	-	68,272	15,116	-

(Continued)

Name of Construction	Accumulated Amount of Construction Cost Incurred Plus Recognized Profits					Accumulated Amount of Progress Billings				Contract Assets, Net, December 31, 2025	Contract Liabilities, Net, December 31, 2025
	Balance on January 1, 2025	Increase in Construction Cost Incurred	Increase in Recognized Profits	Contractual Completion	Balance on December 31, 2025	Balance on January 1, 2025	Increase in Progress Billings	Contractual Completion	Balance on December 31, 2025		
IL5111300	$ 12,500	$ -	$ -	$ (12,500)	$ -	$ 12,500	$ -	$ (12,500)	$ -	$ -	$ -
IL5112121	64,627	-	-	-	64,627	23,553	23,980	-	47,533	17,094	-
IL5112241	15,530	50	20	-	15,600	12,480	3,120	-	15,600	-	-
IL5112242	17,084	-	-	-	17,084	13,050	2,436	-	15,486	1,598	-
IL5112243	39,417	-	-	(39,417)	-	39,417	-	(39,417)	-	-	-
IL5112283	16,400	-	-	(16,400)	-	16,400	-	(16,400)	-	-	-
IL5112288	14,456	36	7	-	14,499	-	11,600	-	11,600	2,899	-
IL5112321	12,500	-	-	(12,500)	-	12,500	-	(12,500)	-	-	-
IL5112249	15,900	-	-	-	15,900	12,720	-	-	12,720	3,180	-
IL5112250	15,717	987	144	-	16,848	15,680	-	-	15,680	1,168	-
IL5112251	17,731	298	45	-	18,074	13,508	-	-	13,508	4,566	-
IL5112126	23,779	-	-	-	23,779	19,255	-	-	19,255	4,524	-
IL5113161	9,868	-	-	-	9,868	-	-	-	-	9,868	-
IL5113245	14,854	-	-	-	14,854	-	9,672	-	9,672	5,182	-
IL5113246	15,144	-	-	(15,144)	-	2,220	12,924	(15,144)	-	-	-
IL5113204	11,800	-	-	(11,800)	-	11,800	-	(11,800)	-	-	-
IL5113162	13,800	1,020	226	-	15,046	12,240	-	-	12,240	2,806	-
IL5113249	11,950	6,480	1,158	-	19,588	10,371	7,725	-	18,096	1,492	-
IL5113202	9,346	-	-	-	9,346	-	7,200	-	7,200	2,146	-
IL5113252	29,888	-	-	(29,888)	-	17,119	12,769	(29,888)	-	-	-
IL5113258	-	26,818	5,560	-	32,378	-	19,039	-	19,039	13,339	-
IL5113254	6,945	6,220	1,344	-	14,509	-	13,636	-	13,636	873	-
IL5113256	15,362	11,907	2,467	-	29,736	-	25,448	-	25,448	4,288	-
IL5113251	11,827	31,452	8,416	-	51,695	-	45,464	-	45,464	6,231	-
IL5113281	-	8,916	2,036	-	10,952	-	6,999	-	6,999	3,953	-
IL5113282	-	7,965	1,385	-	9,350	-	5,762	-	5,762	3,588	-
IL5113243	-	9,412	2,356	-	11,768	-	-	-	-	11,768	-
IL5114121	-	5,309	1,681	-	6,990	-	-	-	-	6,990	-
IL5114041	-	16,024	2,847	-	18,871	-	8,626	-	8,626	10,245	-
IL5114245	-	4,357	1,072	-	5,429	-	-	-	-	5,429	-
IL5114244	-	42,343	12,352	-	54,695	-	49,926	-	49,926	4,769	-
IL5114247	-	43,682	12,742	-	56,424	-	37,397	-	37,397	19,027	-
IL5114163	-	23,853	5,298	-	29,151	-	29,088	-	29,088	63	-
IL5114134	-	12,364	3,956	-	16,320	-	-	-	-	16,320	-
IL5114001	-	30,449	3,145	-	33,594	-	23,580	-	23,580	10,014	-
IL5114251	-	55,878	15,591	-	71,469	-	40,307	-	40,307	31,162	-
IL5114168	-	3,411	769	-	4,180	-	-	-	-	4,180	-
IL5114252	-	14,980	3,062	-	18,042	-	2,890	-	2,890	15,152	-
IL5114201	-	11,851	3,148	-	14,999	-	-	-	-	14,999	-
IL5114254	-	15,389	3,145	-	18,534	-	2,890	-	2,890	15,644	-
IL5114256	-	31,287	6,413	-	37,700	-	-	-	-	37,700	-
IL5114255	-	26,473	7,363	-	33,836	-	-	-	-	33,836	-
	$ 11,929,842	$ 849,347	$ 129,403	$ (3,464,027)	$ 9,444,565	$ 11,237,568	$ 596,082	$ (3,464,027)	8,369,623	1,084,744	$ -
Contract assets - product sales										645,980	
										$ 1,730,724	

(Continued)

Name of Construction	Accumulated Amount of Construction Cost Incurred Plus Recognized Profits					Accumulated Amount of Progress Billings				Contract Assets, Net, December 31, 2025	Contract Liabilities, Net, December 31, 2025
	Balance on January 1, 2025	Increase in Construction Cost Incurred	Increase in Recognized Profits	Contractual Completion	Balance on December 31, 2025	Balance on January 1, 2025	Increase in Progress Billings	Contractual Completion	Balance on December 31, 2025		
SE10007	$ 3,483,537	$ 139,376	$ 214,415	$ -	$ 3,837,328	$ 3,576,645	$ 410,504	$ -	$ 3,987,149	$ -	$ 149,821
SE10008	730,422	258,539	13,607	-	1,002,568	870,123	286,782	-	1,156,905	-	154,337
SE10009	83,601	57,368	3,662	-	144,631	301,563	52,498	-	354,061	-	209,430
SE10010	600,603	840,931	44,260	-	1,485,794	589,708	1,046,825	-	1,636,533	-	150,739
SE10011	356,042	333,038	27,003	-	716,083	210,675	656,088	-	866,763	-	150,680
SE10013	585,914	1,500,828	166,759	-	2,253,501	643,425	2,469,852	-	3,113,277	-	859,776
IL5109153	15,999	-	-	-	15,999	15,297	805	-	16,102	-	103
IL5109154	16,112	-	-	-	16,112	20,467	3,566	-	24,033	-	7,921
IL5110305	68,888	-	-	-	68,888	68,929	-	-	68,929	-	41
IL5110103	36,509	-	-	(36,509)	-	36,414	95	(36,509)	-	-	-
IL5110202	9,718	-	-	-	9,718	10,400	-	-	10,400	-	682
IL5110051	17,850	-	-	-	17,850	18,197	-	-	18,197	-	347
IL5110052	17,546	-	-	-	17,546	17,772	-	-	17,772	-	226
IL5110105	41,957	-	-	-	41,957	40,135	2,112	-	42,247	-	290
IL5111241	75,462	-	-	-	75,462	76,951	1,304	-	78,255	-	2,793
IL5111201	32,900	-	-	(32,900)	-	30,538	2,362	(32,900)	-	-	-
IL5111283	7,946	437	99	-	8,482	-	11,200	-	11,200	-	2,718
IL5111081	31,590	-	-	-	31,590	30,085	1,583	-	31,668	-	78
IL5111245	61,080	-	-	-	61,080	61,181	-	-	61,181	-	101
IL5111248	17,414	-	-	(17,414)	-	15,587	1,827	(17,414)	-	-	-
IL5111290	15,413	185	(98)	(15,500)	-	15,500	-	(15,500)	-	-	-
IL5111481	11,284	-	-	-	11,284	9,804	2,468	-	12,272	-	988
IL5112286	11,218	383	82	-	11,683	9,390	2,460	-	11,850	-	167
IL5112401	44,486	-	-	-	44,486	45,394	-	-	45,394	-	908
IL5112248	22,619	-	-	(22,619)	-	14,703	7,916	(22,619)	-	-	-
IL5113244	8,467	3,760	704	-	12,931	12,978	-	-	12,978	-	47
IL5113206	11,923	2,094	371	-	14,388	-	14,900	-	14,900	-	512
IL5113166	11,202	8,017	1,827	-	21,046	-	22,100	-	22,100	-	1,054
IL5113253	22,340	6,171	1,335	-	29,846	-	29,888	-	29,888	-	42
IL5113207	5,536	4,496	806	-	10,838	-	11,000	-	11,000	-	162
IL5113255	12,730	-	-	-	12,730	-	13,195	-	13,195	-	465
IL5113241	693	8,210	1,713	-	10,616	-	12,840	-	12,840	-	2,224
IL5113257	-	12,292	2,699	-	14,991	-	15,080	-	15,080	-	89
IL5114242	-	42,895	12,089	-	54,984	-	56,040	-	56,040	-	1,056
IL5114250	-	20,695	6,026	-	26,721	-	58,312	-	58,312	-	31,591
IL5114246	-	22,993	5,249	-	28,242	-	28,275	-	28,275	-	33
IL5114248	-	17,838	4,069	-	21,907	-	22,620	-	22,620	-	713
IL5114169	-	5,311	1,200	-	6,511	-	16,000	-	16,000	-	9,489
IL5114241	-	12,747	2,776	-	15,523	-	17,998	-	17,998	-	2,475
	$ 6,469,001	$ 3,298,604	$ 510,653	$ (124,942)	$ 10,153,316	$ 6,741,861	$ 5,278,495	$ (124,942)	$ 11,895,414	$ -	$ 1,742,098
Contract liabilities - product sales											7,667,732
											$ 9,409,830

(Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

Item	Amount	
	Cost	Net Realizable Value
Finished goods	$ 3,790,901	$ 4,729,974
Work in progress	3,880,901	7,094,504
Raw materials	716,883	2,852,917
	$ 8,388,685	$ 14,677,395

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Name	Balance on January 1, 2025		Additions		Decrease		Unrealized Gain (Loss) on Fair Value Change of	Balance on December 31, 2025		Collateral	Note
	Shares/Units	Fair Value	Shares/Units	Amount	Shares/Units	Amount	FVTOCI	Shares/Units	Fair Value		
Unlisted shares											
Innocom Telecom Corp.	250,000	$ -	-	$ -	-	$ -	$ -	250,000	$ -	None	
Formosa Capital Holdings Corporation	363,636	-	-	-	-	-	-	363,636	-	None	
Windance Co., Ltd.	6,500,000	-	-	-	-	-	-	6,500,000	-	None	
Asia Technology 3 Limited	636,500	-	-	-	-	-	-	636,500	-	None	
Power World Capital Management Inc.	488,473	14,166	-	-	-	-	(3,444)	488,473	10,722	None	
		14,166		-		-	(3,444)		10,722		
Limited partnership											
Sustainable Innovative Energy Technology Investment LP.	-	14,784	-	40,180	-	-	(9,228)	-	45,736	None	
Funds and securities											
Sycamore Venture Capital, L.P.	1,000,000	-	-	-	-	-	-	1,000,000	-	None	
KGI EM Trend EFT Fund of Funds	1,500,000	12,180	-	-	-	-	2,370	1,500,000	14,550	None	
Pacific Royal Fund - Core Asia Region Fund	287,825	112,927	-	-	-	-	(24,120)	287,825	88,807	None	
Pacific Royal Fund - High Yield Capital Fund	295,000	110,022	-	-	-	-	(23,170)	295,000	86,852	None	
Global Alliance - Asia Keystone Fund	213,083	137,642	-	-	-	-	(6,931)	213,083	130,711	None	
Global Alliance - Ocean Elite Fund	213,145	137,685	-	-	-	-	(6,933)	213,145	130,752	None	
Global Alliance - Hidden Power Fund	213,128	137,675	-	-	-	-	(6,932)	213,128	130,743	None	
Global Alliance - Titan Investment Fund	45,320	24,261	-	-	-	-	(1,568)	45,320	22,693	None	
		672,392		-		-	(67,284)	-	605,108		
		$ 701,342		$ 40,180		$ -	$ (79,956)		$ 661,566		

SHIHLIN ELECTRIC & ENGINEERING CORP.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

	Balance on January 1, 2025		Additions		Decrease		Unrealized Gain (Loss) on Fair Value Change of	Balance on December 31, 2025			
Name	Shares/Units	Fair Value	Shares/Units	Amount	Shares/Units	Amount	FVTPL	Shares/Units	Fair Value	Collateral	Note
Unlisted shares											
Union Storage Energy System Ltd.	584,501	$ 20,767	389,902	$ -	-	$ -	$ 13,668	974,403	$ 34,435	None	
Jine De Sheng Co., Ltd	6,107,331	250,034	508,685	-	-	-	(34,881)	6,616,016	215,153	None	
HCT Logistics Co., Ltd.	3,157,721	411,798	-	-	-	-	(54,218)	3,157,721	357,580	None	
Charter Leisure Co., Ltd.	950,000	18,354	-	-	-	-	(275)	950,000	18,079	None	
Norm Pacific Automation Corp.	672,188	22,095	-	-	-	-	(7,972)	672,188	14,123	None	
AmTrust Capital I Corp.	7,500,000	89,100	-	-	2,812,500	28,125	6,338	4,687,500	67,313	None	
Hsin Chu Golf Country Club Co., Ltd.	24	134,400	-	-	-	-	32,550	24	166,950	None	
The Orient Linkou Golf & Country Club	10	135,620	-	-	-	-	30,313	10	165,933	None	
Taichung International Entertainment Corporation	1	4,967	-	-	-	-	233	1	5,200	None	
eTreego Co., Ltd.	13,405,212	55,229	-	-	-	-	(33,244)	13,405,212	21,985	None	
Star Trade CO., LTD.	1,340,000	67,720	-	-	-	-	(39,486)	1,340,000	28,234	None	
Guangxin Venture Capital Co., Ltd.	15,000,000	143,250	7,500,000	75,000	-	-	(2,925)	22,500,000	215,325	None	
Star Energy Storage Co., Ltd. - common stock	1,500,000	12,330	-	-	135,000	1,350	(702)	1,365,000	10,278	None	
Star Energy Storage Co., Ltd. - preferred stock	8,500,000	69,870	-	-	765,000	7,650	(3,975)	7,735,000	58,245	None	
GRAND AMBITION ELECTROMECHANICS CO., LTD.	-	-	1,500,000	15,000	-	-	(5,160)	1,500,000	9,840	None	
Apollo power CO., LTD.	-	-	3,500,000	105,000	-	-	(52,010)	3,500,000	52,990	None	
	-	1,435,534		195,000		37,125	(151,746)		1,441,663		
Listed shares and emerging market shares											
The Great Taipei Gas Corporation	691,901	20,861	-	-	-	-	(104)	691,901	20,757	None	
Taiwan Cogeneration Corporation	160,930	6,711	-	-	-	-	(137)	160,930	6,574	None	
O-Bank Co., Ltd. (Industrial Bank of Taiwan Co., Ltd.)	6,157,769	60,900	-	-	-	-	(4,618)	6,157,769	56,282	None	
Arch Meter Corporation	5,636,050	458,775	-	-	-	-	(116,104)	5,636,050	342,671		
HD Renewable Energy Co., Ltd.	4,913,908	1,030,595	698,958	-	-	-	(476,072)	5,612,866	554,523	None	
		1,577,842		-		-	(597,035)		980,807		
		$ 3,013,376		$ 195,000		$ 37,125	$ (748,781)		$ 2,422,470		

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

	Balance on January 1, 2025		Additions in Investment		Decrease in Investment		Balance on December 31, 2025			Market Value or Net Assets Value			
Investees	Shares	Amount	Acquired Shares	Amount	Shares	Amount	Shares	Percentage of Ownership (%)	Amount	Unit Price	Total Amount	Collateral	Note
Unlisted shares													
SEEC International Holdings Ltd. of the British Virgin Islands	48,828,287	$ 5,053,352	-	$ 129,864	-	$ 1,123,927	48,828,287	100.0	$ 4,059,289	83.78	$ 4,090,969	None	Note 1
Shihlin Electrical Engineering Ltd. of Vietnam	-	556,278	-	78,104	-	142,574	-	100.0	491,808	-	492,834	None	Notes 2 and 23
Shihlin Electric USA Company Limited	2,500,000	9,758	-	42,300	-	20	2,500,000	100.0	52,038	20.81	52,037	None	Note 3
Hwo Lin Investment Co., Ltd.	49,990,000	1,079,856	-	8,513	-	130,376	49,990,000	94.8	957,993	19.16	957,993	None	Note 4
Ji Lin Investment, Co., Ltd.	37,990,000	726,042	-	1,752	-	75,115	37,990,000	99.9	652,679	17.18	652,678	None	Note 5
Jeng Lin Investment Co., Ltd.	22,990,000	628,685	-	4,165	-	82,738	22,990,000	89.4	550,112	23.93	550,112	None	Note 6
Cheng Lin Investments Co., Ltd.	53,807,000	958,663	8,000,000	208,582	-	150,957	61,807,000	99.7	1,016,288	16.44	1,016,288	None	Note 7
Shang Lin Investment Co., Ltd.	59,807,000	1,102,052	-	7,855	-	152,374	59,807,000	99.6	957,533	16.01	957,532	None	Note 8
Yuh Lin Investment Co., Ltd.	42,990,000	1,169,565	-	6,329	-	166,456	42,990,000	94.3	1,009,438	23.48	1,009,439	None	Note 9
Hsin Lin Electric Machinery Co., Ltd.	2,880,000	337,969	-	51,641	-	46,656	2,880,000	60.0	342,954	119.16	343,177	None	Note 10
Ruei Lin Electric & Engineering Corp.	10,274,053	581,615	-	95,304	-	105,247	10,274,053	90.0	571,672	55.76	572,930	None	Note 11
Jeen-Lin Industrial Co., Ltd.	5,346,364	144,900	-	7,042	-	15,625	5,346,364	78.4	136,317	25.50	136,318	None	Note 12
Chuan Lin Scien-Technical Corp.	410,000	55,884	-	7,090	-	9,893	410,000	31.5	53,081	129.47	53,082	None	Note 13
Tingling Enterprise Co., Ltd.	12,188,000	308,569	-	638	-	43,628	12,188,000	96.7	265,579	21.79	265,578	None	Note 14
Chan Der Investment Corp.	2,438,783	140,152	-	2,629	-	15,908	2,438,783	8.1	126,873	52.02	126,874	None	Note 15
Cheng Der Investment Corp.	1,149,177	29,948	-	293	-	3,095	1,149,177	3.6	27,146	23.62	27,146	None	Note 16
Yu Der Investment Corp.	2,618,000	55,438	-	-	-	7,577	2,618,000	4.8	47,861	18.28	47,861	None	Note 17
Shihlin Electric Green Power Corp.	30,000,000	301,791	-	1,146	-	-	30,000,000	100.0	302,937	10.10	302,937	None	Note 18
968 Digital Information Co., Ltd.	1,000,000	10,840	-	593	-	-	1,000,000	33.3	11,433	11.43	11,433	None	Note 19
Shilin Star Power Corporation	4,080,000	38,867	-	-	-	3,839	4,080,000	51.0	35,028	9.12	37,209	None	Note 20
New Star Charging Technology Corp.	920,000	9,131	-	103	-	16	920,000	46.0	9,218	10.02	9,219	None	Note 21
Gochabar Co., Ltd.	2,400,000	16,050	-	-	-	2,902	2,400,000	20.0	13,148	5.48	13,148	None	Note 22
		13,315,405		653,943	-	2,278,923			11,690,425		11,726,794		
Listed shares													
The Ambassador Hotel Co., Ltd.	66,918,617	6,368,104	-	52,405	-	460,405	66,918,617	18.2	5,960,104	43.15	2,887,538	None	Note 24
		$ 19,683,509		$ 706,348		$ 2,739,328			$ 17,650,529		$ 14,614,332		

Note 1: The increase in the amount resulted from the share of profit accounted for using the equity method of $129,864 thousand. The decrease in the amount resulted from adjustment relating to changes in exchange difference on translating the financial statements of foreign entities for using the equity method of $160,915 thousand, prepaid income tax of $99,344 thousand and cash dividend of $863,668 thousand.

Note 2: The increase in the amount resulted from the share of profit accounted for using the equity method of $78,104 thousand. The decrease in the amount resulted from adjustment relating to changes in exchange difference on translating the financial statements for using the equity method of foreign entities of $39,872 thousand and cash dividend of $102,702 thousand.

Note 3: The increase in the amount resulted from the share of profit accounted for using the equity method of $42,300 thousand. The decrease in the amount resulted from adjustment relating to changes in exchange difference on translating the financial statements for using the equity method of foreign entities of $20 thousand.

Note 4: The increase in the amount resulted from the share of profit accounted for using the equity method of $8,513 thousand. The decrease in the amount resulted from adjustment relating to changes in capital surplus accounted for using the equity method of $1,181 thousand, adjustment relating to changes in retained earnings accounted of $18,237 thousand and adjustment relating to changes in other comprehensive loss of $110,958 thousand.

Note 5: The increase in the amount resulted from the share of profit accounted for using the equity method of $1,752 thousand. The decrease in the amount resulted from adjustment relating to changes in capital surplus accounted for using the equity method of $3,548 thousand, adjustment relating to changes in retained earnings accounted for using the equity method of $622 thousand and adjustment relating to changes in other comprehensive loss of $70,945 thousand.

Note 6: The increase in the amount resulted from the share of profit accounted for using the equity method of $4,165 thousand. The decrease in the amount resulted from adjustment relating to changes in capital surplus accounted for using the equity method of $6,095 thousand, adjustment relating to changes in retained earnings accounted of $4,353 thousand and adjustment relating to changes in other comprehensive loss of $72,290 thousand.

(Continued)

Note 7: The increase in the amount resulted from an increase in the investment of $80,000 thousand, the share of profit accounted for using the equity method of $15,999 thousand and adjustment relating to changes in capital surplus accounted of $112,583 thousand. The decrease in the amount resulted from adjustment relating to changes in retained earnings accounted for using the equity method of $2,240 thousand, adjustment relating to changes in exchange difference on translating the financial statements of foreign entities of $202 thousand and adjustment relating to changes in other comprehensive loss of $148,515 thousand.

Note 8: The increase in the amount resulted from the share of profit accounted for using the equity method of $7,855 thousand. The decrease in the amount resulted from adjustment relating to changes in capital surplus accounted for using the equity method of $9,507 thousand, adjustment relating to changes in retained earnings accounted of $19,875 thousand and adjustment relating to changes in other comprehensive loss of $122,992 thousand.

Note 9: The increase in the amount resulted from the share of profit accounted for using the equity method of $5,956 thousand and adjustment relating to changes in capital surplus accounted for using the equity method of $373 thousand. The decrease in the amount resulted from adjustment relating to changes in retained earnings accounted for using the equity method of $18,715 thousand and adjustment relating to changes in other comprehensive loss of $147,741 thousand.

Note 10: The increase in the amount resulted from the share of profit accounted for using the equity method of $51,641 thousand. The decrease in the amount resulted from cash dividend of $28,800 thousand, adjustment relating to changes in retained earnings accounted for using the equity method of $2,028 thousand, adjustment relating to changes in exchange difference on translating the financial statements of foreign entities of $599 thousand and adjustment relating to changes in other comprehensive loss of $15,229 thousand.

Note 11: The increase in the amount resulted from the share of profit accounted for using the equity method of $95,304 thousand. The decrease in the amount resulted from cash dividend of $61,644 thousand, adjustment relating to changes in retained earnings accounted for using the equity method of $5,490 thousand, adjustment relating to changes in exchange difference on translating the financial statements of foreign entities of $21,919 thousand and adjustment relating to changes in other comprehensive loss of $16,194 thousand.

Note 12: The increase in the amount resulted from the share of profit accounted for using the equity method of $7,042 thousand. The decrease in the amount resulted from cash dividend of $6,416 thousand, adjustment relating to changes in retained earnings accounted for using the equity method of $2,449 thousand and adjustment relating to changes in other comprehensive loss of $6,760 thousand.

Note 13: The increase in the amount resulted from the share of profit accounted for using the equity method of $7,082 thousand and adjustment relating to changes in exchange difference on translating the financial statements of foreign entities of $8 thousand. The decrease in the amount resulted from cash dividend of $2,460 thousand, adjustment relating to changes in capital surplus accounted of $377 thousand and adjustment relating to changes in retained earnings accounted of $1,505 thousand, and adjustment relating to changes in other comprehensive loss of $5,551 thousand.

Note 14: The increase in the amount resulted from the share of profit accounted for using the equity method of $637 thousand and adjustment relating to changes in capital surplus accounted of $1 thousand. The decrease in the amount resulted from adjustment relating to changes in retained earnings accounted for using the equity method of $11,252 thousand and adjustment relating to changes in other comprehensive loss of $32,376 thousand.

Note 15: The increase in the amount resulted from the share of profit accounted for using the equity method of $2,629 thousand. The decrease in the amount resulted from adjustment relating to changes in retained earnings accounted for using the equity method of $335 thousand and adjustment relating to changes in other comprehensive loss of $15,573 thousand.

Note 16: The increase in the amount resulted from the share of profit accounted for using the equity method of $293 thousand. The decrease in the amount resulted from adjustment relating to changes in retained earnings accounted for using the equity method of $156 thousand and adjustment relating to changes in other comprehensive loss of $2,939 thousand.

Note 17: The decrease in the amount resulted from the share of loss accounted for using the equity method of $1,737 thousand, adjustment relating to changes in retained earnings accounted of $170 thousand and adjustment relating to changes in other comprehensive income of $5,670 thousand.

Note 18: The increase in the amount resulted from the share of profit accounted for using the equity method of $1,146 thousand.

Note 19: The increase in the amount resulted from the share of profit accounted for using the equity method of $593 thousand.

Note 20: The increase in the amount resulted from the share of profit accounted for using the equity method of $3,839 thousand.

Note 21: The increase in the amount resulted from the share of profit accounted for using the equity method of $103 thousand. The decrease in the amount resulted from adjustment relating to changes in exchange difference on translating the financial statements of foreign entities for using the equity method of $16 thousand.

Note 22: The decrease in the amount resulted from the share of loss accounted for using the equity method of $2,902 thousand.

Note 23: The company is limited companies, so it does not need to issue shares.

Note 24: The increase in the amount resulted from the share of profit accounted for using the equity method of $42,373 thousand and adjustment relating to changes in capital surplus accounted of $10,032 thousand. The decrease in the amount resulted from cash dividend of $33,459 thousand, adjustment relating to changes in retained earnings accounted for using the equity method of $9,374 thousand, and adjustment relating to changes in other comprehensive loss of $417,572 thousand.

(Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF SHORT-TERM BORROWING
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Type	Balance ON End of Year	Contract Period	Range of Interest Rates (%)	Loan Commitments (Note 1)	Collateral	Note
Unsecured borrowings						
HSBC Bank (Taiwan) Limited	$ 500,000	2025/12/30-2026/2/2	1.73	$ 1,395,000	None	Note 2
First Bank	500,000	2025/12/30-2026/1/30	1.75	800,000	None	Note 3
	$ 1,000,000			$ 2,195,000		

Note 1: The exchange rate of US denominated loan commitments was 1:31.43 on December 31, 2025. The loan commitments excluded the utilization of available short-term bank borrowings of $8,513,000 thousand.

Note 2: The loan commitment of $1,395,000 thousand was shareable.

Note 3: The loan commitment of $800,000 thousand was shareable.

STATEMENT 9

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

Client Name	Amount
Non-related party	
A vendor	$ 40,462
B vendor	32,352
C vendor	15,783
D vendor	8,425
E vendor	6,614
Others (Note)	1,273
	$ 104,909

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

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

Client Name	Amount
Non-related party (Note)	$ 2,682,713
Related party	
Mitsubishi Electric Automation Corporation of Taiwan	$ 214,380
Chuan Lin Scien-Technical Corp.	79,776
Shihlin Electric Engineering Equipment Vietnam Company Limited	79,458
Ruei Lin Electric & Engineering Corp.	40,679
Others (Note)	100,017
	$ 514,310

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

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

Item	Quantities	Amount
Sale of goods		
Heavy electric products	226,318	$ 17,021,421
Electromechanical products	30,933,416	8,774,823
		25,796,244
Rental revenue		486,156
Construction revenue		4,788,007
Total operating revenue		$ 31,070,407

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

Item	Amount
Raw materials	
Raw materials, beginning of year	$ 834,557
Purchases in the period	13,612,455
Transferred to property, plant and equipment	(9,661)
Transferred to expenses and others	(36,500)
Raw materials, end of year	(716,863)
Raw materials used	13,683,988
Direct labor	881,456
Manufacturing expenses	2,248,977
Manufacturing costs	16,814,421
Work in process, beginning of year	3,702,366
Work in process purchased	351,489
Transferred to property, plant and equipment	(10,999)
Transferred to expenses and others	(275,277)
Work in process, end of year	(3,880,901)
Cost of finished goods	16,701,099
Finished goods, beginning of year	2,845,099
Finished goods purchased	4,756,759
Transferred from expenses	627
Transferred to property, plant and equipment	(22,659)
Finished goods, end of year	(3,790,901)
Cost of goods excluded other adjustment	20,490,024
Warranty cost	97,801
Revenues from sale of scraps	(3,305)
Total cost of goods sold	20,584,520
Rental cost	197,692
Construction cost	4,147,951
Total operating costs	$ 24,930,163

SHIHLIN ELECTRIC & ENGINEERING CORP.

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

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll expense	$ 421,600	$ 542,753	$ 295,124	$ 1,259,477
Freight expense	188,482	91	158	188,731
Commission expense	83,120	-	-	83,120
Research expense	-	-	73,172	73,172
Entertainment and hospitality expense	29,828	58,016	1,427	89,271
Others (Note)	369,234	334,651	175,797	879,682
	$ 1,092,264	$ 935,511	$ 545,678	2,573,453
Expected credit loss on trade receivables				21,719
				$ 2,595,172

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

SHIHLIN ELECTRIC & ENGINEERING CORP.

STATEMENT OF EMPLOYEE BENEFITS AND DEPRECIATION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025			2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salaries	$ 1,576,536	$ 1,149,427	$ 2,725,963	$ 1,417,838	$ 1,143,153	$ 2,560,991
Labor and health insurance	120,961	76,863	197,824	111,632	72,299	183,931
Post-employment benefits	46,590	39,373	85,963	45,377	36,777	82,154
Remuneration of directors	-	110,050	110,050	-	93,950	93,950
Others	37,928	27,498	65,426	35,559	25,596	61,155
	$ 1,782,015	$ 1,403,211	$ 3,185,226	$ 1,610,406	$ 1,371,775	$ 2,982,181
Depreciation	$ 455,814	$ 109,954	$ 565,768	$ 444,156	$ 99,568	$ 543,724

Note 1: As of December 31, 2025 and 2024, the Corporation had 2,259 and 2,207 employees, respectively. Among them 9 directors did not serve concurrently as employees in 2025 and 2024, respectively.

Note 2: The average amount of employee benefits was $1,367 thousand and the prior year's average amount of employee benefit was $1,314 thousand.

Note 3: The average amount of employee salaries was $1,212 thousand and the prior year's average amount of employee salaries was $1,165 thousand. The average adjustment of employee salaries was 4% and 6% as of December 31, 2025 and 2024, respectively.

Note 4: The salary and compensation of the Corporation's employees include salary and bonus. Salary is determined by position and contribution. Bonus is based on performance evaluation and company profitability evaluation.

Note 5: The salary and remuneration of the Corporation's directors and managers are the reasonableness of the personal performance, the Corporation's operating performance and future risks.