

Rectron Ltd.

Consolidated financial statements

With Independent Auditors' Report

For the Years Ended December 31, 2025 and 2024

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The independent auditors' report and the accompanying parent company only consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the combined financial statements of Rectron LTD. as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements." endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Rectron LTD. Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Rectron LTD.
Corporation Chairman: Lin WEN-TENG
Date: March 11, 2026

Independent Auditors' Report

To the Board of Directors of RECTRON LTD. Company :

Opinion

We have audited the consolidated financial statements of RECTRON LTD (“the Group”), which comprise the statement of balance sheets as of December 31, 2024 and 2025, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2024 and 2025, 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 of Audit Opinion

We, as auditors, have conducted our audit work in accordance with the Regulations Governing the Audit Signatures of Certified Public Accountants and the Auditing Standards. Our CPA's responsibility under these standards will be further explained in the paragraph of responsibility of the accountant for examining the consolidated financial statements. The personnel of our accounting firm, who are subject to independence regulations, have maintained independence in accordance with the Code of Ethics for Professional Accountants and fulfilled other responsibilities prescribed by the regulations. They have maintained a professional and objective stance in relation to Rectron LTD. and its subsidiaries. We believe that we have obtained adequate and appropriate audit evidence to form the basis of our audit opinion.

Key audit matters

The key audit matters refer to those matters that, in the auditor's professional judgment, are of most significance in the audit of the consolidated financial statements of Rectron Ltd. for the year ended 2025. Such items have been taken into consideration in the process of auditing the overall financial reports and forming audit opinions. The accountant does not express opinions on such items separately. Our CPA determined to address the following key auditing matters in the accountant's report:

1. Revenue Recognition

Please refer to Note 4 (m) of the consolidated financial statements for details on the accounting policy for revenue recognition. Additionally, refer to Note 6 (n) of the consolidated financial statements for a breakdown of revenue by customer contracts.

Key Audit Matters

Rectron LTD. primarily derives its revenue from the manufacturing and sale of various rectifiers and other semiconductor components. The risk lies in the accuracy of revenue recognition. The Group's viability and ongoing operations depend on a consistent inflow of cash generated from revenue. Therefore, the Group's business strategy and operational management start with revenue. Consequently, testing revenue recognition is one of the key assessment areas for auditors in conducting the financial statement audit of Rectron LTD.

Auditing procedures performed:

The main audit procedures performed by the auditor for the above-mentioned key audit matters include testing the controls and effectiveness of the sales and cash collection cycle, as well as sampling the accuracy of recognizing sales revenue around the balance sheet date, which involves verifying warehouse dispatch records and comparing contractual terms. The auditor also evaluates whether control over the goods has been transferred at the appropriate recognition point.

The accountant considers whether the disclosure of revenue recognition-related information by the Rectron LTD Group is appropriate.

2. Inventory valuation

Regarding inventory valuation, please refer to Note 4 (h) "Inventory" for the accounting policy. For the accounting estimates and assumptions related to inventory valuation and their uncertainties, please refer to Note 5 (b). Further explanation on the assessment of inventory valuation can be found in Note 6 (d) "Inventory" of the consolidated financial statements.

Key Audit Matters

The valuation of inventory for Rectron Ltd. is subject to the risk of cost exceeding its net realizable value due to fluctuations in international raw material prices and market supply and demand conditions, which may result in significant fluctuations in product selling prices and sales volumes. Therefore, the testing of inventory valuation is considered as one of the important assessment matters in the auditor's examination of Rectron Ltd.'s consolidated financial statements.

Auditing procedures performed:

The main audit procedures performed by the auditor for the above-mentioned key audit matters include reviewing the inventory aging report, analyzing the changes in inventory aging over different periods, assessing the reasonableness of Rectron Ltd.'s accounting policies and their implementation, conducting trend analysis on the treatment of obsolete inventory, understanding the basis and methods of inventory valuation, and comparing relevant variances to identify any significant abnormalities.

Other Matters

We did not audit the consolidated financial statements of certain investees, which represented investments in other entities accounted for using the equity method of the Group. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those investees, is based solely on there ports of other auditors. The investments in those investees accounted for using the equity method constituting 5% and 2% of total assets at December 31, 2025 and 2024, respectively, and the related share of profit of subsidiaries, associates and joint ventures accounted for using the equity method constituting 0% and 12% of total profit before tax for the years then ended respectively.

Rectron Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion with other matters paragraph.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

The management is responsible for the preparation of the appropriate consolidated financial statements, which are in accordance with the Financial Reporting Standards for Issuers of Securities and approved and issued by the Financial Supervisory Commission, as well as the applicable International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretive Bulletins. They are also responsible for maintaining necessary internal controls related to the preparation of the consolidated financial statements to ensure that they are free from material misstatement caused by fraud or error.

In preparing the consolidated financial statements, the management's responsibility also includes assessing the ability of the Rectron Ltd. to continue as a going concern, making relevant disclosures, and adopting the going concern basis of accounting unless there are intentions to liquidate the Rectron Ltd. or cease its operations, or unless there are no other practical alternative courses of action other than liquidation or cessation.

The governance body of Rectron Ltd., including the Audit Committee, has the responsibility to oversee the financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and performed audit procedures responsive to those risks, and obtained 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 Rectron LTD. 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 Rectron LTD. ability to continue as a going concern. If we determine that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 audit resulting in this independent auditors' report are Shih-Chin Chih and Hsin-Ting Huang.

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2026

Notes to Readers

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

The independent Auditors' Report and the accompanying Parent Company Only Consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent Auditors' Report and Parent Company Only Consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated financial statements Originally Issued in Chinese.)

Rectron LTD.**Consolidated Balance Sheets****December 31,2025 and 2024**
(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2025		December 31, 2024	
		<u>Amount</u>	%	<u>Amount</u>	%
Assets					
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 448,174	17	\$ 564,394	21
1110	Current financial assets at fair value through profit or loss (note 6(b))	252,020	10	132,575	5
1150	Trade notes receivable net (note 6(c) and (n))	628	-	793	-
1170	Trade receivables net (note 6(c), 6(n)and 7)	144,608	6	140,210	5
1200	Other receivables	7,581	-	4,218	-
1220	Total current tax assets	17	-	439	-
130X	Inventories (note 6(d))	150,691	6	126,046	50
1410	Prepayments(Notes 7)	14,473	1	6,849	-
1479	Other current assets	<u>4,091</u>	<u>-</u>	<u>4,201</u>	<u>-</u>
		<u>1,022,283</u>	<u>40</u>	<u>979,725</u>	<u>36</u>
Non-current assets:					
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	37,659	1	55,867	2
1600	Property, plant and equipment (note 6(e),8 and 9)	579,332	22	635,790	24
1755	Right-of-use assets (note 6(f) and 9)	24,053	1	16,060	1
1760	Investment property (note 6(g) , 7 ,8 and 9)	940,360	36	955,984	37
1975	Net defined benefit assets, non-current (note 6(j))	702	-	-	-
1990	Other non-current assets (note 6(c))	<u>1,751</u>	<u>-</u>	<u>2,357</u>	<u>-</u>
		1,583,857	60	1,666,058	64
Total assets		<u>\$ 2,606,140</u>	<u>100</u>	<u>\$ 2,645,783</u>	<u>100</u>

		December 31, 2025		December 31, 2024	
		<u>Amount</u>	%	<u>Amount</u>	%
Liabilities and Equity					
Current liabilities:					
2130	Current contract liabilities (note 6(n))	\$ 367	-	38	-
2170	Trade payables	148,369	6	131,353	5
2200	Other payables(Note 7 and 9)	47,893	2	219,520	8
2230	Current tax liabilities	14,012	1	16,994	1
2280	Current lease liabilities(Note 7)	3,053	-	3,330	-
2300	Other current liabilities(Note 9)	<u>511,228</u>	<u>19</u>	<u>364,004</u>	<u>14</u>
		<u>724,922</u>	<u>28</u>	<u>735,239</u>	<u>28</u>
Non-current liabilities					
2580	Non-current lease liabilities(note 7)	1,391	-	4,570	-
2640	Net defined benefit liability, non-current (note 6(j))	-	-	84	-
2570	Deferred tax liabilities(note 6(k))	66,881	3	67,201	3
2600	Other non-current liabilities (note 7)	<u>4,792</u>	<u>-</u>	<u>4,653</u>	<u>-</u>
		<u>73,064</u>	<u>3</u>	<u>76,508</u>	<u>3</u>
Total liabilities		<u>797,986</u>	<u>31</u>	<u>811,747</u>	<u>31</u>
Equity (notes 6(l)):					
3110	Ordinary shares	1,663,029	64	1,663,029	63
3200	Capital surplus	9	-	9	-
3310	Legal reserve	73,269	3	60,655	2
3320	Special reserve	103,296	4	87,143	3
3351	Retained earnings	88,104	3	126,496	5
3400	Other equity	<u>(119,553)</u>	<u>(5)</u>	<u>(103,296)</u>	<u>(4)</u>
	Total equity	<u>1,808,154</u>	<u>69</u>	<u>1,834,036</u>	<u>69</u>
Total liabilities and equity		<u>\$ 2,606,140</u>	<u>100</u>	<u>2,645,783</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated financial statements Originally Issued in Chinese.)

Rectron LTD.**Consolidated Statement of Comprehensive Income****For the Years Ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollar, except for Earnings per Common Share)**

		For the three months ended December 31			
		2025	%	2024	%
4000	Operating revenue (notes 6(n)and 7)	\$ 845,768	100	\$ 757,457	100
5000	Operating costs (notes 6(d)and6(j))	535,970	63	481,413	64
	Gross profit from operations	309,798	37	276,044	36
	Operating expenses (notes6(c) 、 6(j) 、 6(o) 、 7 and 12):				
6100	Selling expenses	58,104	7	55,325	7
6200	Administrative expenses	128,646	15	137,273	18
6300	Research and development expenses	5,884	1	6,675	1
	Total operating expenses	192,634	23	199,273	26
	Net operating income	117,164	14	76,771	10
	Non-operating income and expenses (notes 6(p)and 7):				
7010	Other income	14,658	2	16,457	2
7020	Other gains and losses	(8,139)	(1)	62,678	8
7050	Finance costs	(177)	-	(301)	-
	Total non-operating income and expenses	6,342	1	78,834	10
	Profit before tax	123,506	15	155,605	20
7950	Total tax expense (note 6(k))	41,633	5	30,074	4
	Profit	81,873	10	125,531	16
8300	Other comprehensive income (loss):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans	679	-	615	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,825)	-	1,639	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(1,146)	-	2,254	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
8361	Exchange differences on translation	(11,042)	(1)	(15,152)	(2)
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	889	-	(2,640)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	(10,153)	(1)	(17,792)	(2)
8300	Other comprehensive income, net	(11,299)	(1)	(15,538)	(2)
8500	Comprehensive income	<u>\$ 70,574</u>	<u>9</u>	<u>109,993</u>	<u>14</u>
	Profit, attributable to:				
8610	Profit, attributable to owners of parent	<u>\$ 81,873</u>	<u>10</u>	<u>125,531</u>	<u>16</u>
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	<u>\$ 70,574</u>	<u>9</u>	<u>109,993</u>	<u>14</u>
	Earnings per common share (expressed in dollars) (note 6(m))				
9750	Basic earnings per share	<u>\$ 0.49</u>		<u>0.75</u>	
9810	Diluted earnings per share	<u>\$ 0.49</u>		<u>0.75</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated financial statements Originally Issued in Chinese.)

Rectron LTD.**Consolidated Statement of Changes in Equity****For the Years Ended December 31, 2025 and 2024**
(Expressed in Thousands of New Taiwan Dollar)

	Attributable to owners of parent								
	Retained earnings					Other equity			
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Total equity
Balance at January 1, 2024	\$ 1,663,029	9	51,988	60,074	87,640	(83,104)	(4,039)	(87,143)	1,775,597
Net income	-	-	-	-	125,531	-	-	-	125,531
Other comprehensive income	-	-	-	-	615	(15,152)	(1,001)	(16,153)	(15,538)
Total comprehensive income	-	-	-	-	126,146	(15,152)	(1,001)	(16,153)	109,993
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	8,667	-	(8,667)	-	-	-	-
Special reserve appropriated	-	-	-	27,069	(27,069)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(51,554)	-	-	-	(51,554)
Balance at December31, 2024	1,663,029	9	60,655	87,143	126,496	(98,256)	(5,040)	(103,296)	1,834,036
Net income	-	-	-	-	81,873	-	-	-	81,873
Other comprehensive income	-	-	-	-	679	(11,042)	(936)	(11,978)	(11,299)
Total comprehensive income	-	-	-	-	82,552	(11,042)	(936)	(11,978)	70,574
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	12,614	-	(12,614)	-	-	-	-
Special reserve appropriated	-	-	-	16,153	(16,153)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(96,456)	-	-	-	(96,456)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	4,279	-	(4,279)	(4,279)	-
Balance at December 31, 2025	1,663,029	9	73,269	103,296	88,104	(109,298)	(10,255)	(119,553)	1,808,154

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated financial statements Originally Issued in Chinese.)

Rectron LTD.**Consolidated Statement of Cash Flows****For the Years Ended December 31, 2025 and 2024**
(Expressed in Thousands of New Taiwan Dollars)

	For the Years Ended December 31,	
	2025	2024
Cash flows from(used in) operating activities:		
Profit before tax	\$ 123,506	155,605
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	51,036	49,333
Amortization expenses	981	2,724
Expected credit losses (gains)	(3,714)	(2,279)
Interest expenses	177	301
Interest income	(13,669)	(15,692)
Dividend income	(989)	(765)
Loss (gain) on disposal of property, plant and equipment	(2)	1,087
Gain on disposal of investments	-	(37)
Net losses (gains) on financial assets at fair value through profit or loss	(23,382)	(29,757)
Foreign exchange loss (gain) on financial assets	1,594	(752)
Impairment loss on non-financial assets	3,500	8,500
Property, plant and equipment transferred to expenses	1,247	6,130
Total adjustments to reconcile profit	16,779	18,793
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	165	(376)
Trade receivables	(684)	(47,557)
Other receivables	(2,887)	375
Inventories	(24,645)	9,532
Prepayments	(7,624)	34
Other current assets	110	(940)
Total changes in operating assets	(35,565)	(38,932)
Changes in operating liabilities:		
Current contract liabilities	329	(30)
Trade payables	17,016	55,656
Other payables	7,618	6,923
Other current liabilities	(1,225)	-
Net defined benefit liability	(106)	(1,510)
Other non-current liabilities	-	(103)
Total changes in operating liabilities	23,632	60,936
Total changes in operating assets and liabilities	(11,933)	22,004
Total adjustments	4,846	40,797
Cash inflow generated from operations	128,352	196,402
Interest received	13,193	15,980
Dividends received	989	765
Interest paid	(177)	(322)
Income taxes paid	(43,873)	(15,610)
Net cash flows from operating activities	98,484	197,215
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	15,360	3,259
Acquisition of financial assets at fair value through profit or loss	(324,826)	(122,687)
Proceeds from disposal of financial assets at fair value through profit or loss	228,763	54,386
Acquisition of property, plant and equipment	(211,234)	(44,161)
Proceeds from disposal of property, plant and equipment	76	-
Decrease in other non-current assets	(375)	(1,312)
Decrease in other current liability	177,658	(382)
Net cash flows used in investing activities	(114,578)	(110,897)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	-	18,000
Decrease in short-term borrowings	-	(33,000)
Payments of lease liabilities	(3,206)	-
Decrease in other non-current liabilities	139	(2,592)
Cash dividends paid	(96,456)	(51,554)
Net cash flows used in financing activities	(99,523)	(69,146)

See accompanying notes to consolidated financial statements.

	For the Years Ended December 31,	
	2025	2024
Effect of exchange rate changes on cash and cash equivalents	(603)	(14,481)
Net increase (decrease)in cash and cash equivalents	(116,220)	2,691
Cash and cash equivalents at the beginning of period	564,394	561,703
Cash and cash equivalents at the end of period	<u>\$ 448,174</u>	<u>564,394</u>

(English Translation of Consolidated financial statements Originally Issued in Chinese.)

Rectron Ltd.

Notes to the Consolidated financial statements

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollar, except for Earnings per Share Information and Unless Otherwise Specified)

1. Company history

Rectron Ltd. (the “Company”) was established and approved by the Ministry of Economic Affairs on January 23, 1976. The registered address is No. 71, Zhongshan Road, Tucheng District, New Taipei City. The Group was originally named "Rectron Precision Electronics Industry Co., Ltd." and changed its name to "Rectron Ltd." on June 29, 2000, as resolved by the shareholders' meeting and approved by the Ministry of Economic Affairs.

The Group and its subsidiaries (together referred to as the “Group”) main business operations include the manufacture and sale of various rectifiers, other semiconductor components, rental and sale of real estate, trading of wines, and manufacture and sale of medical equipment.

2. Approval date and procedures of the Parent Company Only Consolidated financial statements

The accompanying non-consolidated consolidated financial statements were authorized for issue by the Board of Directors on March 11, 2026.

3. New standards and interpretations not yet adopted

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the (following) new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025 :

- Amendments to IAS21 “Lack of Exchangeability”

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the (following) new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

See accompanying notes to consolidated financial statements.

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 note : On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

4. Summary of significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of consolidation

i. Basis of measurement

See accompanying notes to consolidated financial statements.

The non-consolidated consolidated financial statements have been prepared on the historical cost basis except for the following material items in the balance sheets:

- 1) Financial instruments measured at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) The net defined benefit liability is recognized as the present value of the defined benefit obligation less the fair value of plan assets.

ii. Functional and presentation currency

The functional currency of each Company entities is determined based on the primary economic environment in which the entities operate. The non-consolidated consolidated financial statements are presented in New Taiwan Dollar, which is the Group's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c)Basis of consolidation

i.Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise The Group and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

ii.List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding		Description
			December 31, 2025	December 31, 2024	
The Group	Rectron (China) Limited (Rectron China)	Sales of rectifiers, etc. Electronic components	100%	100%	Subsidiaries with direct ownership of voting rights exceeding 50% of the total shares issued.
The Group	Shanghai Lizhengda Industrial Co., Ltd., (Shanghai Lizhengda)	Sales of rectifiers, etc. Electronic components	100%(Note)	-%	Subsidiaries with direct ownership of voting rights exceeding 50% of the total shares issued.
The Group	RECTRON ELECTRONIC ENTERPRISES,INC (REEI)	Sales of rectifiers, etc. Electronic components	100%	100%	Subsidiaries with direct ownership of voting rights exceeding 50% of the total shares issued.
The Group	CHU-TING ENTERPRISE CO., LTD. (Chu-Ting)	Wholesale of tobacco and alcohol products and manufacturing and sales of medical equipment.	100%	100%	Subsidiaries with direct ownership of voting rights exceeding 50% of the total shares issued.
Rectron (China) Limited	Zhejiang Rectron Electronic Co.,LTD. (Zhejiang Rectron)	Manufacturing and sales of rectifiers and other electronic components.	100%	100%	Subsidiaries with indirect ownership of voting rights exceeding 50% of the total shares issued.

Note: The Company was registered and established on October 27, 2025. As of December 31, 2025, no capital has been contributed.

See accompanying notes to consolidated financial statements.

iii. List of subsidiaries which are not included in the consolidated financial statements: None.

(d) Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- (i) an investment in equity securities designated as at fair value through other comprehensive income;
- (ii) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- (iii) qualifying cash flow hedges to the extent that the hedges are effective.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

See accompanying notes to consolidated financial statements.

An entity shall classify a liability as current when:

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(i) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on recognition is recognized in profit or loss.

(ii) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL :

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or

loss. Other net gains and losses are recognized in other comprehensive income. On recognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

(iii) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, trade receivables and notes receivable, other receivables, leases receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date ; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 365 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or tw A or higher per Taiwan Ratings'.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer ;
- a breach of contract such as a default or being more than 365 days past due ;

- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider ;
- it is probable that the borrower will enter bankruptcy or other financial reorganization ; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(iv) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(2) Financial liabilities

(i) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(ii) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

(iii) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the

case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income over the term of the lease.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(1) Buildings 5~55 years

(2) Machinery 5~10 years

(3) Office equipment 3~10 years

See accompanying notes to consolidated financial statements.

Depreciation methods, useful lives and residual values are reviewed and adjusted if appropriate.

(iv) Reclassification of self-used properties into investment properties

The Group used the book value of its self-used properties to reclassify them into investment properties.

(k) Leases

(i) Identifying a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modification

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

See accompanying notes to consolidated financial statements.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of Office equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

For sale-and-leaseback transactions, the Group applies the requirements for determining when a performance obligation is satisfied in IFRS15 to determine whether the transfer of an asset is accounted for as a sale of the asset. If the transfer of an asset satisfies the requirement of IFRS15 to be accounted for as a sale of the asset, the Group derecognizes the transferred asset, then measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. For leaseback transaction, the Group applies the lessee accounting policy. If the transfer of an asset does not satisfy the requirement of IFRS15 to be accounted for as a sale of the asset, the Group continues to recognize the transferred asset and recognizes the financial liability equal to the transfer proceeds.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The Group recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The interest income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(l) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(m) Revenue Recognition

(i) Revenue from customer contracts

Revenue is measured by the consideration expected to be received in exchange for the transfer of goods or services. The Group recognizes revenue when control over the goods or services is transferred to the customer, thereby satisfying performance obligations. The Group provides the following explanations based on its primary revenue streams:

(1) Sale of Goods - Electronic Rectifier Diodes and Semiconductor Passive Components

The Group manufactures electronic components and sells them to electronic equipment manufacturers. Revenue is recognized when control over the products is transferred. Control over the product is deemed to have been transferred when the product has been delivered to the customer, the customer has the full ability to decide on the sales channel and price of the product, and there are no unfulfilled obligations affecting the customer's acceptance of the product. Delivery occurs when the products are shipped to a specific location, and the Group risks of obsolescence, deterioration, and loss have been transferred to customers. Customers have accepted the products in accordance with the sales contract, the acceptance clauses have expired, or the merging company has objective evidence that all acceptance criteria have been met.

The Group shall recognize accounts receivable at the time of delivery of commodities, since the Group has the right to receive consideration unconditionally at that time.

(2) Rental income

Rental income from investment properties and income from leasing real estate are recognized as lease income in the operating revenue item.

(3) Financial Components

The Group expects that the time between the transfer of goods or services to customers and the customer's payment for those goods or services does not exceed one year. Therefore, the Group does not adjust the transaction price for the time value of money.

(n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning

of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses) and does not give rise to equal taxable and deductible temporary differences
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (1) the same taxable entity; or

See accompanying notes to consolidated financial statements.

- (2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(p) Earnings per share

The Group discloses the Group's basic and diluted earnings per share attributable to ordinary shareholders of the Group. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Group divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Group divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares,

(q) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these consolidated financial statements, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

(a) Allowance for doubtful accounts for accounts receivable.

The allowance for doubtful accounts is estimated based on assumptions regarding default risk and expected loss rates. The Group considers historical experience, current market conditions, and forward-looking estimates on each reporting date to determine the assumptions and inputs to be used in calculating impairment. For detailed explanation of the related assumptions and input values, please refer to Note 6(d).

(b) Inventory evaluation

Due to the requirement to measure inventory at cost or net realizable value, whichever is lower, the Group assesses the amount of inventory cost to be written down to net realizable value due to normal wear and tear, obsolescence, or lack of market sales value as of the evaluation report date. The inventory valuation is primarily based on estimates of product demand during a specific future period, and may be subject to significant changes due to rapid changes in the industry. Please refer to Note 6(4) for details on the inventory valuation estimate.

The Group's accounting policies and disclosures include the use of fair value measurement for its financial and non-financial assets and liabilities. The Group has established internal control systems for fair value measurement. This includes establishing an assessment team responsible for reviewing all significant fair value measurements (including level 3 fair value) and reporting directly to the Chief Financial Officer. The assessment team periodically reviews significant unobservable inputs and adjustments. If third-party information (such as brokers or pricing service organizations) is used as inputs to measure fair value, the assessment team will evaluate the evidence

See accompanying notes to consolidated financial statements.

supporting the input values provided by the third party to ensure that the valuation and its fair value classification comply with International Financial Reporting Standards. Investment properties are periodically valued by the Group based on the evaluation methods and parameter assumptions specified by the Financial Supervisory Commission, or by external appraisers commissioned by the Group.

The Group strives to use market observable inputs as much as possible when measuring its assets and liabilities. The fair value level is classified based on the input values used by the valuation technique, as follows:

- (1) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (2) Level 2: Inputs for the asset or liability that are directly (i.e., prices) or indirectly (i.e., derived from prices) observable, excluding those included in Level 1.
- (3) Level 3: Inputs for the asset or liability that are unobservable (i.e., non-market observable inputs).

In the event of transfers between different levels of fair value hierarchy, the Group recognizes the transfer on the reporting date.

Please refer to the following notes for information related to the assumptions used in measuring fair value:

1. Note 6(g): Investment properties.
2. Note 6(q): Financial instruments.

6. Explanation of significant accounts

(a) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and petty cash	\$ 159	311
Cash in banks	175,719	564,083
Time deposits	272,296	-
Cash and cash equivalents in the statement of cash flows	<u>\$ 448,174</u>	<u>564,394</u>

Please refer to Note 6(q) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities.

(b) Financial assets

1. Current financial assets at fair value through profit or loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial assets designation as measured at fair value through profit or loss		
Shares of stock of overseas listed companies - TESLA	\$ -	68,186
Shares of stock of overseas listed companies - NVDA	80,123	63,619
Shares of stock of overseas listed companies - LMT	145,177	-
Shares of stock of overseas listed companies - FU	25,949	-
SHOU YUAN		
Assets mandatorily measured at fair value through profit or loss:		
Beneficiary certificates	<u>771</u>	<u>770</u>
Total	<u>\$ 252,020</u>	<u>132,575</u>

See accompanying notes to consolidated financial statements.

(1) Debt investments at fair value through other comprehensive income

(2) Equity investments at fair value through other comprehensive income

The Company disposed of its shares in Sunny Bank, which were measured at fair value through other comprehensive income (FVOCI), in 2025 due to investment considerations. The fair value at the time of disposal was \$15,360 thousand, and the disposal gain amounted to \$4,279 thousand. Accordingly, the accumulated disposal gain was reclassified from other equity to retained earnings.

(3) For credit risk (including the impairment of debt investments) and market risk; please refer to note 6(q).

(4) As of December 31, 2025, and 2024, the Group's financial assets were not pledged as collateral.

(c) Trade receivables and notes receivable

See accompanying notes to consolidated financial statements.

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision were determined as follows:

December 31, 2025			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 108,442	0.05%~0.9%	-
Within 180 days past due.	36,975	0.05%~4.42%	198
More than 180 days past due	66,314	0%~100%	66,297
	\$ 211,731		66,495
December 31, 2024			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 112,799	0.05%~1.97%	-
Within 180 days past due.	27,234	0.05%~5.39%	-
More than 180 days past due	72,236	100%	71,266
	\$ 212,269		71,266

The movements in the allowance for trade receivables and notes receivable were as follows:

For the Years Ended December 31,		
	2025	2024
Balance at January 1	\$ 71,266	72,605
Impairment losses recognized	(3,714)	(2,279)
Foreign exchange gains/(losses)	(1,057)	940
Balance at December 31	\$ 66,495	71,266

As of December 31, 2025 and 2024, the Group's the aforementioned trade receivables and notes receivable were not pledged as collateral.

(d) Inventories

	December 31, 2025	December 31, 2024
Raw materials and consumables	\$ 25,093	24,511
Work in progress	7,637	8,774
Finished goods	101,981	78,877
Merchandise	31,073	28,507
Goods and materials in transit	1,217	1,735
Subtotal	167,001	142,404
Less: Allowance for inventory market decline and obsolescence	(16,310)	(16,358)
	<u>\$ 150,691</u>	<u>126,046</u>

As of December 31, 2025 and 2024, the details of the cost of sales were as follows:

	For the Years Ended December 31,	
	2025	2024
Inventory that has been sold	\$ 525,258	469,735
Write-down of inventories (Reversal of write-downs)	(48)	(65)
The impact of actual production capacity being lower than normal capacity.	5,427	5,546
Income from the Sale of Scrap and Disposals	(1,003)	(1,038)
	<u>\$ 529,634</u>	<u>474,178</u>

- (i) Reversal gain arising from inventory liquidation in the year 2025
- (ii) As of December 31, 2025 and 2024, the Group's the aforementioned trade receivables and notes receivable were not pledged as collateral.

(e) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group For the Years Ended December 31, 2025 and 2024 were as follows:

	Land	Buildings and structures	Machinery and equipment	Office equipment	Construction in progress	Total
Cost:						
Balance at January 1, 2025	\$ 181,394	254,947	698,340	59,827	221,330	1,415,838
Additions	-	8,757	8,715	970	13,547	31,989
Reduction	-	-	(272,344)	(11,555)	(386)	(284,285)
Reclassification	-	188,697	5,463	2,092	(208,618)	(12,366)
Effect of movement in exchange rates	-	(1,382)	(27,577)	(1,078)	(8,215)	(38,252)
Balance at December 31, 2025	<u>\$ 181,394</u>	<u>451,019</u>	<u>412,597</u>	<u>50,256</u>	<u>17,658</u>	<u>1,112,924</u>
Balance at January 1, 2024	\$ 181,394	248,881	677,096	56,394	13,337	1,177,102
Additions	-	304	3,445	926	219,571	224,246
Reduction	-	-	(1,957)	-	-	(1,957)
Reclassification	-	-	4,375	1,806	(12,311)	(6,130)
Effect of movement in exchange rates	-	5,762	15,381	701	733	22,577
Balance at December 31, 2024	<u>\$ 181,394</u>	<u>254,947</u>	<u>698,340</u>	<u>59,827</u>	<u>221,330</u>	<u>1,415,838</u>
Accumulated depreciation:						
Balance at January 1, 2025	\$ -	149,482	576,196	54,370	-	780,048
Depreciation	-	15,642	20,097	2,439	-	38,178
Impairment loss	-	-	3,500	-	-	3,500
Reduction	-	-	(250,533)	(11,550)	-	(262,083)
Effect of movement in exchange rates	-	423	(25,247)	(1,227)	-	(26,051)
Balance as of December 31, 2025	<u>\$ -</u>	<u>165,547</u>	<u>324,013</u>	<u>44,032</u>	<u>-</u>	<u>533,592</u>
Balance as of January 1, 2024	\$ -	135,743	531,955	50,817	-	718,515
Depreciation	-	10,259	23,095	2,929	-	36,283
Impairment loss	-	-	8,500	-	-	8,500
Reduction	-	-	(870)	-	-	(870)
Effect of movement in exchange rates	-	3,480	13,516	624	-	17,620
Balance at December 31, 2024	<u>\$ -</u>	<u>149,482</u>	<u>576,196</u>	<u>54,370</u>	<u>-</u>	<u>780,048</u>
Carrying value:						
Balance at December 31, 2025	<u>\$ 181,394</u>	<u>285,472</u>	<u>88,584</u>	<u>6,224</u>	<u>17,658</u>	<u>579,332</u>
Balance at January 1, 2024	<u>\$ 181,394</u>	<u>113,138</u>	<u>145,141</u>	<u>5,577</u>	<u>13,337</u>	<u>458,587</u>
Balance at December 31, 2024	<u>\$ 181,394</u>	<u>105,465</u>	<u>122,144</u>	<u>5,457</u>	<u>221,330</u>	<u>635,790</u>

December 31, 2025 and 2024, the Property, plant and equipment of the Group had been pledged as collateral for long-term borrowings; please refer to note 8.

See accompanying notes to consolidated financial statements.

For the details regarding the subsidiary Zhejiang Rectron housing and construction relocation agreement with Jiashan Economic Development Zone Asset Management Co., Ltd., please refer to Note 9(b).

(f) Right-of-use assets

The Group leases many assets including land and buildings, vehicles, and other equipment. Information about leases for which the Group is a lessee is presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost:					
Balance at January 1, 2025	\$ 10,276	13,716	2,514	343	26,849
Reclassification	11,119	-	-	-	11,119
Effect of movement in exchange rates	<u>957</u>	<u>(576)</u>	<u>-</u>	<u>-</u>	<u>381</u>
Balance at December 31, 2025	<u>\$ 22,352</u>	<u>13,140</u>	<u>2,514</u>	<u>343</u>	<u>38,349</u>
Balance at January 1, 2024	\$ 9,906	12,826	-	343	23,075
Additions	-	-	2,514	-	2,514
Effect of movement in exchange rates	<u>370</u>	<u>890</u>	<u>-</u>	<u>-</u>	<u>1,260</u>
Balance at December 31, 2024	<u>\$ 10,276</u>	<u>13,716</u>	<u>2,514</u>	<u>343</u>	<u>26,849</u>
Accumulated depreciation and impairment losses:					
Balance at January 1, 2025	\$ 1,891	8,474	280	144	10,789
Depreciation for the year	629	2,279	837	69	3,814
Effect of movement in exchange rates	<u>27</u>	<u>(334)</u>	<u>-</u>	<u>-</u>	<u>(307)</u>
Balance at December 31, 2025	<u>\$ 2,547</u>	<u>10,419</u>	<u>1,117</u>	<u>213</u>	<u>14,296</u>
Balance at January 1, 2024	\$ 1,520	5,724	-	72	7,316
Depreciation for the year	312	2,309	280	72	2,973
Effect of movement in exchange rates	<u>59</u>	<u>441</u>	<u>-</u>	<u>-</u>	<u>500</u>
Balance at December 31, 2024	<u>\$ 1,891</u>	<u>8,474</u>	<u>280</u>	<u>144</u>	<u>10,789</u>
Carrying amount:					
Balance at December 31, 2025	<u>\$ 19,805</u>	<u>2,721</u>	<u>1,397</u>	<u>130</u>	<u>24,053</u>
Balance at January 1, 2024	<u>\$ 8,386</u>	<u>7,102</u>	<u>-</u>	<u>271</u>	<u>15,759</u>
Balance at December 31, 2024	<u>\$ 8,385</u>	<u>5,242</u>	<u>2,234</u>	<u>199</u>	<u>16,060</u>

1. In 2025, the subsidiary Zhejiang Rectron acquired a parcel of land located in Huimin Sub-district, Jiashan County, Zhejiang Province, with a total area of 3,031 square meters. The land use right, designated for the Company's plant and office purposes, was recognized at an original cost of \$11,119 thousand (RMB 2,694 thousand). The land use right has a term of 50 years and is amortized on a straight-line basis over the actual period of use.

See accompanying notes to consolidated financial statements.

2. For the details regarding the subsidiary Zhejiang Rectron right-of-use assets land relocation agreement with Jiashan Economic Development Zone Asset Management Co., Ltd., please refer to Note 9(b).

(g) Investment property

	Land and improvements	Buildings	Total
Cost:			
Balance at January 1, 2025	\$ 663,510	377,011	1,040,521
Reduction	-	(15,130)	(15,130)
Effect of movement in exchange rates	-	(1,580)	(1,580)
Balance at December 31, 2025	\$ 663,510	360,301	1,023,811
Balance at January 1, 2024	\$ 663,510	373,879	1,037,389
Effect of movement in exchange rates	-	3,132	3,132
Balance at December 31, 2024	\$ 663,510	377,011	1,040,521
Accumulated depreciation and impairment losses:			
Balance at January 1, 2025	\$ -	84,537	84,537
Depreciation for the year	-	9,044	9,044
Reduction	-	(9,306)	(9,306)
Effect of movement in exchange rates	-	(824)	(824)
Balance at December 31, 2025	\$ -	83,451	83,451
Balance at January 1, 2024	\$ -	73,500	73,500
Depreciation for the year	-	10,077	10,077
Effect of movement in exchange rates	-	960	960
Balance at December 31, 2024	\$ -	84,537	\$ 84,537
Carrying amount:			
Balance at December 31, 2025	\$ 663,510	276,850	940,360
Balance at January 1, 2024	\$ 663,510	300,379	963,889
Balance at December 31, 2024	\$ 663,510	292,474	955,984
Fair value:			
Balance at December 31, 2025			\$ 1,931,688
Balance at January 1, 2024			\$ 1,909,407
Balance at December 31, 2024			\$ 1,892,101

1. Investment properties are the self-owned assets held by the consolidated company. The initial non-cancellable period for the leased investment properties ranges from 1 to 6 years. Due to the need for organic renewal and industrial transformation and upgrading in the Jiashan Economic and Technological Development Industrial

See accompanying notes to consolidated financial statements.

Park, which is under the subsidiary Zhejiang Rectron, an agreement was reached with Jiashan Economic Development Asset Management Co., Ltd. on September 22, 2025, to vacate the premises. Consequently, the lease contract was terminated at the end of August 2025. Please refer to Note 9(b) for detailed information.

2. Due to the restriction in the law at that time, private entities were not allowed to acquire agricultural land. Therefore, the Companies appointed Mr. Lin Wen-Teng, one of the directors, to register the real estate investment under his personal name. To ensure the preservation of the Companies' assets, the property has been pledged back to the Companies.
3. The fair value of investment properties is based on the valuation by independent appraisers who possess recognized professional qualifications and have recent experience in valuing properties in similar locations and of similar types. The valuation is conducted based on market value. In the absence of an active market price, the valuation considers the aggregate estimated cash flows expected to be received from leasing the property, discounted using a yield that reflects the specific risks inherent to those net cash flows, to determine the value of the property.
4. As of December 31, 2025 and 2024, the Property, plant and equipment of the Group had been pledged as collateral for long-term borrowings; please refer to note 8.

(h) Short-term borrowings

	December 31, 2025	December 31, 2024
Unused short-term credit lines	\$ 340,000	420,000
Range of interest rates	-%	1.90%~2.01%

For the collateral for short-term borrowings, please refer to note 8.

(i) Operating Lease

Lease as Lessor

The Group leases its investment properties under operating leases. Please refer to Note 6(g) for details. The future minimum lease payments receivable under non-cancelable operating leases are as follows:

	December 31, 2025	December 31, 2024
Less than one year	\$ 20,074	20,132
One to two years	14,903	9,426
Two to three years	12,314	3,233
Three to four years	10,148	729
Four to five years	5,505	-
Over five years	4,195	-
Total undiscounted lease payments	\$ 67,139	33,520

(j) Provisions

1. Defined benefit plans

The reconciliation of fair value of the defined benefit plans and plan assets is as follows:

	For the Ended December 31	
	2025	2024
Present value of defined benefit obligation	\$ 5,303	5,960
Fair value of plan assets	(6,005)	(5,876)
Net defined benefit liabilities	\$ (702)	84

See accompanying notes to consolidated financial statements.

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pension benefits for its employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for six months prior to retirement.

1) Composition of plan assets

The Group sets aside pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. Such funds are managed by the Bureau of Labor Funds, Ministry of Labor. Under these regulations, the minimum earnings from these pension funds shall not be less than the earnings from two-year time deposits with the interest rates offered by local banks.

The Group's contributions to the pension funds were deposited with Bank of Taiwan amounting to \$5,210 thousand as of the reporting date. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in the present value of the defined benefit obligations for the years ended December 31, 2025 and 2024 were as follows:

	For the Years Ended December 31	
	2025	2024
Defined benefit obligations on January 1	\$ 5,960	7,419
Current service costs and interest	95	89
Remeasurements of the net defined benefit liability (asset)		
- Actuarial losses from changes in financial assumption	108	(183)
- Actuarial gains and losses arising from experience adjustments	(387)	57
Benefits paid by the plan	(473)	(1,422)
Defined benefit obligation on December 31	<u>\$ 5,303</u>	<u>5,960</u>

3) Movements on the defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the years ended December 31, 2025 and 2024 were as follows:

	For the Years Ended December 31	
	2025	2024
Fair value of plan assets on January 1	\$ 5,876	5,210
Interest revenue	94	63
Remeasurements of the net defined benefit liability (asset)		
— Return on plan assets (not including current interest cost)	400	489
Contributed amount	108	114
Benefits paid by the plan	(473)	-
Fair value of plan asset on December 31	<u>\$ 6,005</u>	<u>5,876</u>

See accompanying notes to consolidated financial statements.

4) Expenses recognized in profit and loss

The Group's pension expenses recognized in profit or loss for the years ended December 31, 2025 and 2024 were as follows:

	<u>For the Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Net interests on net defined benefit liability(asset)	\$ <u>1</u>	<u>26</u>
	\$ <u>1</u>	<u>26</u>
Operating costs	\$ -	7
General and administrative expenses	<u>1</u>	<u>19</u>
	\$ <u>1</u>	<u>26</u>

5) Re-measurement of net defined benefit liability (asset) recognized in other comprehensive income

The Group's net defined benefit liability (asset) recognized in other comprehensive income for the years ended December 31, 2025 and 2024 were as follows:

	<u>For the Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Cumulative amount on January 1	\$ (1,646)	(1,031)
Recognized during the year	<u>(679)</u>	<u>(615)</u>
Cumulative amount on December 31	\$ <u>(2,325)</u>	<u>(1,646)</u>

6) Actuarial assumptions

The key actuarial assumptions at the reporting date were as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Discount rate	1.30%	1.60%
Future salary increase rate	1.25%	1.25%

Based on the actuarial report, The Group is expected to make a contribution payment of \$104 thousand to the defined benefit plans for the one year period after the reporting date of 2025.

The weighted-average duration of the defined benefit plans is between 7 years.

7) Sensitivity analysis

As of December 31, 2025 and 2024, the changes in the principal actuarial assumptions that will have an impact on the present value of the defined benefit obligation were as follows:

	Impact on the present value of defined benefit obligation	
	Increase by 0.25%	Decrease by 0.25%
December 31,2025		
Discount rate	\$ (90)	79
Future salary increase rate	93	(77)
December 31,2025		
Discount rate	(111)	114
Future salary increase rate	99	(97)

The sensitivity analysis assumed all other variables remain constant during the measurement. This may not be representative of the actual change in the defined benefit obligation as some of the variables may be correlated in the actual situation. The model used in the sensitivity analysis is the same as that of the defined benefit obligation liability.

The analysis is performed on the same basis for prior year.

2. Defined contribute on plans

The Group's employee benefits retirement expenses respectively.

	For the Years Ended December 31	
	2025	2024
Operating cost	\$ 470	488
Selling expenses	269	210
Administration expenses	813	860
Research and development expenses	-	11
Total	\$ 1,552	1,569

3. The details of pension expenses recognized by each foreign subsidiary in accordance with the relevant local laws are as follows:

	For the Years Ended December 31	
	2025	2024
Operating cost	\$ 3,778	3,694

(Continued)

(k) Income tax

1. The components of income tax For the Years Ended December 31, 2025 and 2024 were as follows:

	For the Years Ended December 31,	
	2025	2024
Current income tax expense		
Current period incurred	\$ 42,359	25,334
Undistributed earnings additional tax	46	-
Prior years income tax adjustment	(452)	2230
Current tax expenses	<u>41,953</u>	<u>25,557</u>
Deferred tax expense		
The origination of temporary differences	(320)	4,517
Income tax expense	<u>\$ 41,633</u>	<u>30,074</u>

2. The income tax on pre-tax financial income was reconciled with the income tax expense for the years ended December 31, 2025 and 2024 as follows:

	For the Years Ended December 31,	
	2025	2024
Profit excluding income tax	\$123,506	\$155,605
Income tax using the group's domestic tax rate	24,701	31,121
Foreign tax rate differences	(836)	(560)
Impairment loss on non-financial assets	700	1700
Non-deductible expenses	32	23
Domestic financial asset valuation losses	-	66
Change in taxable loss not recognized as deferred tax assets	834	867
Changes in unrecognized temporary differences	2,059	(2,559)
Adjustment of prior period's current income tax	(452)	223
Additional tax on undistributed earnings	46	-
Tax-exempt income	(16)	(98)
Tax incentives	-	(2,553)
Others	14,545	1,844
Total	<u>\$ 41,633</u>	<u>\$ 30,074</u>

3. Deferred tax assets

1) Unrecognized deferred tax assets

	December 31, 2025	December 31, 2024
Tax effect of deductible Temporary Differences	\$ 75,346	71,207
Tax losses	2,039	1,224
	<u>\$ 77,385</u>	<u>72,431</u>

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

(Continued)

As of December 31, 2025, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

<u>Year of loss</u>	<u>Unused tax loss</u>	<u>Expiry date</u>
2024(Declared quantity)	\$ 6,105	2034
2025(Estimated quantity)	4,091	2035
	<u>\$ 10,196</u>	

2) Recognized deferred tax liabilities

The movements in deferred tax assets and liabilities for the years ended December 31, 2025 and 2024 were as follows:

Deferred tax liabilities:

	Provision for Land Value Tax	Other	Total
Balance at January 1, 2025	\$ 62,679	4,522	67,201
Recognized in profit (loss)	-	(320)	(320)
Balance at December 31, 2025	\$ 62,679	4,202	66,881
Balance at January 1, 2024	\$ 62,679	5	62,684
Recognized in profit (loss)		4,517	4,517
Balance at December 31, 2024	\$ 62,679	4,522	67,201

4. Status of approval of income tax

- 1) The group's corporate income tax returns have been assessed and approved by the tax authorities up to the year 2023.
- 2) The corporate income tax returns of the group's domestic subsidiaries have been assessed and approved by the tax authorities up to the year 2023.

(I)Capital and other equity

1. Ordinary shares

As of December 31, 2025 and 2024 the authorized capital of the Group consisted of 400,000 thousand shares, respectively, at a par value of \$10 per share, amounting to \$4,000,000 thousand, respectively, and its outstanding capital were consisted of 166,303 thousand shares. All share proceeds from outstanding capital have been collected.

2. Capital surplus

	December 31, 2025	December 31, 2024
Treasury share transactions	\$ 9	9

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of the par value should not exceed 10% of the total common stock outstanding.

(Continued)

3. Retained earnings

If the Group has surplus in the annual final accounts, it shall pay taxes and donations in accordance with the law, offset cumulative losses, and then appropriate 10% as statutory surplus reserve. However, when the statutory surplus reserve has reached the Group's paid-in capital, no further appropriation is required. The remaining surplus shall be appropriated or reversed as required by laws and regulations, or transferred to the special surplus reserve. If there is still surplus, together with undistributed surplus at the beginning of the period, it will be classified as distributable surplus. The Board of Directors shall propose a surplus distribution plan for approval by the shareholders' meeting, and distribute dividends to the shareholders.

Taking into account financial, operational, and business factors, the Group may distribute dividends to shareholders, which shall not be less than 10% of the distributable surplus for the current fiscal year. However, if the accumulated distributable surplus is less than 3% of the paid-in capital, no distribution shall be made. Dividends may be distributed in the form of cash dividends or stock dividends. Cash dividends shall be given priority in the distribution of earnings, but stock dividends may also be distributed. The proportion of cash dividends shall not be less than 10% of the total dividend amount.

For the distribution of dividends to shareholders in the form of cash, the Board of Directors is authorized to carry out such distribution with the approval of two-thirds or more of the attending directors and a majority of the attending directors, and to report it to the shareholders' meeting.

(i) Legal reserve

When a company incurs profit, the shareholders shall decide on the distribution of the statutory earnings reserve either by issuing new shares or by paying cash of up to 25% of the actual share capital.

(ii) Special reserve

The Group chose to apply the exemption under IFRS 1 at its initial adoption of IFRSs. Any unrealized revaluation surplus, accumulated translation adjustment, and increasing amount incurred from adopting the fair value as cost for the assets classified as investment property at the transition date. According to the Financial Supervisory Commission's Order No. 1010012865 issued on April 6, 2012, an equal amount shall be appropriated to the special surplus reserve. When using, disposing of, or reclassifying related assets, a proportionate reversal of the originally appropriated special surplus reserve may be distributed as earnings.

According to the regulations of the Financial Supervisory Commission, when the Group distributes distributable earnings, the difference between the net amount of reductions in other shareholders' equity items recorded in the current year and the balance of the special surplus reserve mentioned above shall be considered. When distributing earnings for the fiscal year 2024, the Group will allocate the current year's income and the undistributed earnings from previous periods to the special surplus reserve. When distributing earnings for the fiscal year 2025, the Group will allocate the current year's after-tax net profit, along with items other than the current year's after-tax net profit, to the undistributed earnings and the special surplus reserve from previous periods. The Group is not allowed to distribute the amounts related to reductions in other shareholders' equity from previous periods, except for the allocation to the special surplus reserve. In the event of reversals in the amounts of reductions in other shareholders' equity in the future, earnings may be distributed based on the reversed portion. As of December 31, 2025 and 2024, the balance of the special surplus reserve is \$103,296 thousand and \$87,143 thousand respectively.

(Continued)

(iii) Earnings distribution

The amounts of cash dividends and share dividends for the 2024 and 2023 earnings distribution had been approved, the board meeting held on March 11, 2025 and March 15, 2024; while the earnings distribution for 2024 and 2023 had been approved during the shareholders' meeting on May 29, 2025 and June 26, 2024 as follows:

	2024		2023	
	Amount	Total	Amount	Total
	per share	amount	per share	amount
Cash dividends distributed to ordinary shareholders	\$ 0.58	96,456	0.31	51,554

The group's Board of Directors resolved on March 11, 2026, to distribute cash dividends for the fiscal year 2025. Details regarding the distribution can be found on the Taiwan Stock Exchange's website. The dividend amounts for the shareholders are as follows:

	2025	
	Amount per	Total
	share	amount
Cash dividends distributed to ordinary shareholders	\$ 0.35	58,206

(iv) OCI accumulated in reserves

	Exchange differences on translation of foreign consolidated financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2025	\$ (98,256)	(5,040)	(103,296)
Exchange differences on foreign operations	(11,042)		(11,042)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(936)	(936)
Disposal of investments in equity instruments designated at fair value through other comprehensive income		(4,279)	(4,279)
Balance at December 31, 2025	\$ (109,298)	(10,255)	(119,553)
Balance at January 1, 2024	\$ (83,104)	(4,921)	(87,143)
Exchange differences on foreign operations	(15,152)	-	(15,152)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		(1,001)	(1,001)
Balance at December 31, 2024	\$ (98,256)	(5,040)	(103,296)

(Continued)

(m) Earnings per share

For the Years Ended December 31, 2025 and 2024, the Group's earnings per share were calculated as follows:

1. Basic earnings per share

(i) Profit attributable to ordinary shareholders of the Group

	For the three months ended December 31	
	2025	2024
Profit/(loss) of the Group for the year	\$81,873	125,531

(ii) Weighted-average number of ordinary shares

	For the three months ended December 31	
	2025	2024
Weighted-average number of ordinary shares(thousand shares)	166,303	166,303
Earnings per share	\$ 0.49	0.75

2. Diluted earnings per share

The diluted earnings per share of the Group for the fiscal year 2025 and 2024, are calculated based on the net income attributable to the equity holders of the Group and the adjusted weighted average number of ordinary shares outstanding, considering the dilutive effects of all potential ordinary shares. The calculations are as follows:

(i) Profit attributable to ordinary shareholders of the Group

	For the three months ended December 31	
	2025	2024
Profit/(loss) attributable to ordinary shareholders of the Group (basic)	\$ 81,873	125,531

(ii) Weighted-average number of ordinary shares

	For the three months ended December 31	
	2025	2024
Weighted-average number of ordinary shares(thousand shares) (basic)	166,303	166,303
Effect of employee share bonus	86	108
Weighted-average number of ordinary shares (thousand shares)(diluted)	166,389	166,411
Earnings per share	\$ 0.49	0.75

(Continued)

(n) Revenue from contracts with customers

i. Disaggregation of revenue

For the Years Ended December 31, 2025					
	Electronics Division	Property Management Division	Medical Equipment Division	Wine Trading Department	Total
Primary geographical markets					
Asia	\$ 707,072	22,683	8,329	5,918	744,002
America	89,535	-	-	-	89,535
Europe	11,450	-	-	-	11,450
Others	781	-	-	-	781
	\$ 808,838	22,683	8,329	5,918	845,768
Major products/services lines					
Electronic Components Sales	808,838		-	-	808,838
Rental Income	-	22,683	-	-	22,683
Medical Equipment Sales	-	-	8,329	-	8,329
Wine Trading	-	-	-	5,918	5,918
	\$808,838	22,683	8,329	5,918	845,768
For the Years Ended December 31, 2024					
	Electronics Division	Property Management Division	Medical Equipment Division	Wine Trading Department	Total
Primary geographical markets					
Asia	\$ 628,376	23,217	8,494	4,386	664,473
America	85,757	-	-	-	85,757
Europe	6,094	-	-	-	6,094
Others	1,133	-	-	-	1,133
	\$ 721,360	23,217	8,494	4,386	757,457
Major products/services lines					
Electronic Components Sales	\$ 721,360	-	-	-	721,360
Rental Income	-	23,217	-	-	23,217
Medical Equipment Sales	-	-	8,494	-	8,494
Wine Trading	-	-	-	4,386	4386
	\$ 721,360	23,217	8,494	4,386	757,457

(Continued)

ii. Contract balances

	<u>December 31,</u>		
	<u>2025</u>	<u>December 31, 2024</u>	<u>January1, 2024</u>
Trade receivables and notes			
receivable	\$163,504	164,042	115,169
Less: allowance for			
impairment	(18,268)	(23,039)	(24,378)
	<u>\$145,236</u>	<u>141,003</u>	<u>90,791</u>
Contract liabilities	<u>\$367</u>	<u>38</u>	<u>68</u>

For details on trade receivables and allowance for impairment, please refer to note 6(c).

(o) Remunerations to employees, directors and supervisors

According to the Company's Articles of Incorporation, if there are annual profits (defined as profit before tax prior to the appropriation of employee compensation and directors' remuneration), no less than 1% shall be allocated as employee compensation (of which no less than 30% shall be allocated to non-managerial employees), and no more than 2% shall be allocated as directors' remuneration. However, if the Company has accumulated losses, an amount shall first be reserved to cover such losses. The recipients of employee compensation, whether in the form of shares or cash, may include employees of subsidiary companies who meet certain conditions. Under the Articles of Incorporation prior to the amendment, it was stipulated that, the Company's Articles of Incorporation require that earnings shall first be offset against any deficit, then, a minimum of 1% will be distributed as employee remuneration, and a maximum of 2% will be allocated as remuneration to directors. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the Company's subsidiaries who meet certain specific requirements.

For the Years Ended December 31, 2025 and 2024, remuneration of employees of \$1,200 thousand and \$1,900 thousand, respectively, and remuneration of directors of \$2,200 thousand and \$2,900 thousand, respectively, were estimated on the basis of the Company's net profit before tax, excluding the remuneration of employees and directors of each period, multiplied by the percentage of remuneration of employees and directors as specified in the Company's articles of incorporation. Such amounts were recognized as operating expenses. For the Years Ended December 31, 2025 and 2024, Management is expecting that the differences, if any, between the actual distributed amounts and estimated amounts will be treated as changes in accounting estimates and will be charged to profit or loss. The number of shares to be distributed was calculated based on the closing price of the Company's ordinary shares, one day prior to Board of Directors meeting.

There is no difference between the amounts of employee compensation and directors' remuneration resolved by the Board of Directors for the year 2025 and the amounts accrued in the 2025 parent company only financial statements. There is no difference between the amount of employee and director/supervisor compensation resolved by the Board of Directors for the year 2024 and the amount estimated in the individual financial statements for the same year. Relevant information can be found on the Taiwan Stock Exchange's website.

(Continued)

(p) Non-operating income and expenses

1. Other income

	For the Years Ended December 31,	
	2025	2024
Interest income	\$13,669	15,692
Dividend income	989	765
	\$ 14,658	16,457

2. Other gains and losses

	For the Years Ended December 31,	
	2025	2024
Foreign exchange gains (losses)	\$ (28,408)	42,473
Gains (losses) on financial assets at fair value through profit or loss	23,382	29,757
	-	37
Gain on disposal of investments	2	(1,087)
Profit on Disposal of Real Estate, Plant, and Equipment	(3,500)	(8,500)
Impairment loss		
Other	385	(2)
	\$(8,139)	62,678

3. Finance costs

	For the Years Ended December 31,	
	2025	2024
Interest expense	\$ (177)	(301)

(q) Financial instruments

1. Credit risk

(i) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

(ii) Concentration of credit risk

The Group has a broad customer base and does not engage in significant transactions with any single customer. Additionally, its sales are geographically diversified. Therefore, there is no significant concentration of credit risk.

(iii) Receivables and debt securities

For credit risk exposure of trade receivables and notes receivable, please refer to note 6(c). Other financial assets at amortized cost include other receivables. All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-month expected credit losses. The fixed deposits held by the Group are transacted with and settled by financial institutions that have investment-grade ratings or above. Therefore, they are considered to have low risk.

The loss allowances were determined as follows:

(Continued)

	Other receivables
Balance at January 1, 2025	\$ 36,992
Balance at December 31, 2025	\$ 36,992
Balance at January 1, 2024	\$ 36,992
Balance at December 31, 2024	\$ 36,992

2. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2025							
Non-derivative financial liabilities							
Non-interest bearing liabilities	\$ 196,262	196,262	196,225	37	-	-	-
Lease liabilities(include non-current)	4,444	4,625	1,705	1,522	1,398	-	-
	\$ 200,706	200,887	197,930	1,559	1,398	-	-
December 31, 2024							
Non-derivative financial liabilities							
Non-interest bearing liabilities	\$ 350,873	350,873	350,836	37	-	-	-
Lease liabilities(include non-current)	7,900	8,159	1,729	1,760	3,334	1,336	-
	\$ 358,773	359,032	352,565	1,797	3,334	1,336	-

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

3. Market risk

(i) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

	December 31, 2025			December 31, 2024		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
Financial assets						
<u>Monetary items</u>						
USD : NTD	\$ 12,846	31.430	403,750	14,377	32.785	471,350
USD : CNY	703	7.784	22,095	32,227	7.321	1,056,562
<u>Non-monetary items</u>						
USD	1,198	31.430	37,659	1,180	32.785	38,682
Financial liabilities						
<u>Monetary items</u>						
USD : NTD	5,013	31.430	157,559	4,366	32.785	143,139
USD : CNY	-	-	-	10,040	7.321	329,161

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, financial assets at fair value through other comprehensive income, and trade and other payables that are denominated in foreign currency.

A strengthening (weakening) of 0.5%of the NTD against the USD, and CNY as at 2025 and 2024 would have increased (decreased) the net profit after tax by \$1,073 thousand and

(Continued)

\$4,222 thousand, and equity by \$151 thousand and \$155 thousand. The analysis is performed on the same basis.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the Years Ended December 31, 2025 and 2024, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$28,408 thousand and \$42,473 thousand, respectively.

(ii) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 0.5% basis points, the Group's net income would have increased / decreased by \$0 thousand and \$0 thousand For the Years Ended December 31, 2025 and 2024, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at variable rates.

(iii) Other market price risk

For the Years Ended December 31, 2025 and 2024, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for profit or loss as illustrated below:

Prices of securities at the reporting date	For the Years Ended December 31,			
	2025		2024	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
0.5% increase	\$ -	1,005	86	527
0.5% decrease	\$ -	(1,005)	(86)	(527)

4. Fair value of financial instruments

(i) Fair value hierarchy

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy, were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

(Continued)

	December 31, 2025				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Shares of stock of overseas listed companies	\$ 251,249	251,249	-	-	251,249
Beneficiary certificates	771	771	-	-	771
Subtotal	252,020	252,020	-	-	252,020
Financial assets at fair value through other comprehensive income					
Foreign corporate bonds	37,659	-	37,659	-	37,659
Subtotal	37,659	-	37,659	-	37,659
Financial assets measured at amortized cost					
Cash and cash equivalents	448,174	-	-	-	-
Trade receivables and notes receivable (including related parties)	145,236	-	-	-	-
Other receivables	7,581	-	-	-	-
Guarantee deposits paid(Recognition of other non-current assets)	1,402	-	-	-	-
Subtotal	602,393	-	-	-	-
Total	\$ 892,072	252,020	37,659	-	289,679
Financial liabilities measured at amortized cost					
Trade payables	\$ 148,369	-	-	-	-
Other payables	47,893	-	-	-	-
Lease liabilities (including non-current)	4,444	-	-	-	-
Deposit of guarantee funds (recorded under other non-current liabilities)	4,792	-	-	-	-
Total	\$ 205,498	-	-	-	-

(Continued)

December 31, 2024						
		Fair Value				
		Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss						
Shares of stock of overseas listed companies	\$	131,805	131,805	-	-	131,805
Beneficiary certificates		770	770	-	-	770
Subtotal		132,575	132,575	-	-	132,575
Financial assets at fair value through other comprehensive income						
Foreign corporate bonds		38,682	-	38,682	-	38,682
Stocks in unlisted companies		17,185	-	17,185	-	17,185
Subtotal		55,867	-	55,867	-	55,867
Financial assets measured at amortized cost						
Cash and cash equivalents		564,394	-	-	-	-
Trade receivables and notes receivable (including related parties)		141,003	-	-	-	-
Other receivables		4,218	-	-	-	-
Guarantee deposits paid(Recognition of other non-current assets)		1,413	-	-	-	-
Subtotal		711,028	-	-	-	-
Total	\$	899,470	132,575	55,867	-	188,442
Financial liabilities measured at amortized cost						
Trade payables	\$	131,353	-	-	-	-
Other payables		219,520	-	-	-	-
Lease liabilities (including non-current)		7,900	-	-	-	-
Deposit of guarantee funds (recorded under other non-current liabilities)		4,653	-	-	-	-
Total	\$	363,426	-	-	-	-

(ii) Valuation techniques for financial instruments measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting date.

(Continued)

(iii) Transfers between Level 1 and Level 2

There were no transfers from level 2 to level 1 For the Years Ended December 31, 2025 and 2024.

(r) Financial risk management

1. Overview

The Group has exposure to the following risks from its financial instruments:

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks' exposures, please refer to the respective notes in the accompanying consolidated financial statements.

2. Structure of risk management

The Group 's Financial Management Department provides services to various business units, coordinating access to domestic and international financial markets. It supervises and manages the financial risks related to the group's operations by analyzing internal risk reports according to the level and breadth of risk. Internal auditors continuously review compliance with policies and exposure limits. The group does not engage in trading financial instruments (including derivative financial instruments) for speculative purposes.

3. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities.

(i) Accounts receivable and other receivables

The Group 's policy is to transact only with reputable counterparties and, where necessary, to obtain collateral to mitigate the risk of financial loss due to defaults. The Group transacts only with entities rated equivalent to investment grade. This information is provided by independent rating agencies. In cases where such information is not available, the group uses other publicly available financial information and transaction records to assess the creditworthiness of major customers. The group continuously monitors credit exposures and the credit ratings of counterparties. It diversifies total transaction amounts among counterparties with qualifying credit ratings and controls credit exposures through annual review and approval of counterparties' credit limits.

As the group has a broad customer base, does not significantly concentrate transactions with any single customer, and operates in diversified sales regions, the credit risk associated with accounts receivable is not significantly concentrated. To further mitigate credit risk, the group regularly assesses the financial condition of its customers but typically does not require collateral.

(ii) Investment

The credit risk exposure for the bank deposits, fixed income investments and other

(Continued)

financial instruments are measured and monitored by the group's finance department. As the group deals with the banks and other external parties with good credit standing and financial institutions, corporate organization and government agencies which are graded above investment level, management believes that the group do not have compliance issues and no significant credit risk.

(iii) Guarantee

The group's policy dictates that financial guarantees can only be provided to wholly-owned subsidiaries. As of December 31, 2025, and December 31, 2024, the group has not provided any endorsements or guarantees.

4. Liquidity risk

The group manages and maintains sufficient cash and cash equivalents to support its operations and mitigate the impact of fluctuations in cash flows. Management oversees the utilization of bank financing facilities and ensures compliance with loan agreement terms.

Bank borrowings are an important source of liquidity for the group. As of December 31, 2025, and December 31, 2024, the unused portion of the short-term bank borrowing facilities amounted to \$340,000 thousand and \$420,000 thousand, respectively.

5. Market risk

Market risk is a risk that arises from changes in market prices, such as foreign exchange rates, interest rates and equity prices that affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Currency risk

The group is exposed to exchange rate risk arising from sales and purchases denominated in currencies other than the functional currency of each respective group entity. The primary currencies involved in these transactions are TWD and USD.

(ii) Interest rate risk

The group is exposed to cash flow risk due to its borrowings at floating interest rates. To manage this interest rate risk, the group maintains an appropriate portfolio of floating-rate instruments.

(s) Capital management

The group's capital management objective is to safeguard its ability to continue operations, thereby ensuring the provision of returns to shareholders and other stakeholders, while maintaining an optimal capital structure to minimize the cost of capital.

To maintain or adjust its capital structure, the group may adjust dividend payments to shareholders, reduce capital and return it to shareholders, issue new shares, or sell assets to repay liabilities.

Similar to its peers, the group manages its capital based on the debt-to-capital ratio. This ratio is calculated by dividing net debt by total capital. Net debt is calculated as total liabilities reported in the balance sheet minus cash and cash equivalents. Total capital includes all components of equity (i.e., share capital, capital surplus, retained earnings, and other equity) plus net debt.

The capital management policy of the consolidated Company for the year 2025 was consistent with that for the year 2024, ensuring the ability to obtain financing at a reasonable cost. The debt-to-capital ratios as of December 31, 2025 and 2024 were as follows:

(Continued)

	December 31, 2025	December 31, 2024
Total liabilities	\$ 797,986	811,747
Less: cash and cash equivalents	(448,174)	(564,394)
Net debt	349,812	247,353
Total equity	1,808,154	1,834,036
Adjusted equity	\$ 2,157,966	2,081,389
Debt-to-equity ratio	16%	12%

As of December 31, 2025, the company's capital management approach remained unchanged from the previous year.

(t) Non-cash Investing and Financing Activities

Acquisition of right-of-use assets through leasing. Please refer to Note 6(f) for details.

7. Related-party transactions

(a) Names and relationships with related parties

The followings are entities that have had transactions with related party during the periods covered

Name of related party	Relationship with the Group
LIN, WEN-TENG	Chairman of this company(Note)
Lin, I-Chin	Director of this company
Sunrise On The Bund Hotel(Sunrise)	The chairman of the said company is the same individual as the chairman of the Company.
Juiye Enterprise Co., Ltd.(Juiye Enterprise)	.The chairman of the said company is the same individual as the chairman of the Company.
PU HWUA ENTERPRISE CO., LTD.(Pu Hwua)	Other related parties

JuyangXingye Industrial Co., Ltd. The chairman of the Group is also a director of the subsidiary. (JuyangXingye)

Note: Has served as the Chairman of our Company since November 13, 2025.

(b) Significant transactions with related parties

1. Sales

The amounts of significant sales by the Group to related parties were as follows:

	For the Years Ended December 31,	
	2025	2024
Other related parties	\$ 6,008	4,456

The sales price of the Group to the related party is not significantly different from the general selling price. The average credit period for related parties as of December 31, 2025, and January 1 to December 31, 2024, is approximately 120 days, while for general customers, it ranges from 30 to 90 days.

(Continued)

2. Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2025	December 31, 2024
Trade receivables	Other related parties	\$ 2,704	1,812

3. Payables to related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2025	December 31, 2024
Other payables	Others	\$ 216	26

4. Leases

The Group collected rental income from other related parties and affiliated companies, reporting lease income of \$1,763 thousand and \$1,741 thousand for the year ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, related rental deposits amounted to \$270 thousand, \$270 thousand, respectively.

In November 2024, the Group rented an office building from the Key management person to be used as its headquarter. A five-year lease contract was signed, in which the rental fee is determined based on nearby office rental rates. The total value of the contract was \$5,309 thousand. For the Years Ended December 31, 2025 and 2024, the Group recognized the amounts of \$44 thousand and \$127 thousand as interest expenses. As of December 31, 2025 and 2024, the balance of lease liabilities amounted to \$1,850 thousand and \$3,029 thousand, respectively.

5. Prepayments

The payables to related parties were as follows:

6.

Account	Relationship	December 31, 2025	December 31, 2024
6. Prepayments	Others	\$ 5,836	3,138

The aforementioned prepayments were amortized to operating expenses in the amounts of \$7,682 thousand and \$7,654 thousand for the years 2025 and 2024, respectively.

6. Others

The Group 's operating expenses to other related parties for the years 2025 and 2024 were \$987 thousand and \$1,268 thousand, respectively.

(c) Others

In case of registering real estate under the name of other related parties, please refer to Note 6(7) for details.

(Continued)

(d) Key management personnel compensation

Key management personnel compensation comprised:

	For the Years Ended December 31,	
	2025	2024
Short-term employee benefits	15,545	19,803
Post-employment benefits	194	219
	<u>\$15,739</u>	<u>20,022</u>

8. Assets pledged as security

The carrying amounts of **assets pledged as security** were as follows:

Assets pledged as security	Liabilities secured by pledge	December 31, 2025	December 31, 2024
Property, plant and equipment	Long-term borrowings	\$ 226,430	229,510
Investment property	Long-term borrowings	48,408	49,507
		<u>274,838</u>	<u>279,017</u>

9. Significant Commitments and Contingencies

(a) Unrecognized contractual commitments

As of December 31, 2025, and 2024, the detailed amounts of the contract prices for equipment and construction projects entered into by the Group with suppliers are as follows:

	December 31, 2025	December 31, 2024
Signed-contract	\$ 36,147	259,598
Paid-price	<u>\$ 19,210</u>	<u>50,971</u>

- (b) The subsidiary, Zhejiang Rectron, entered into a relocation compensation agreement with the Jiashan Development Zone in September 2023 in response to the strategic transformation of the industrial park in which it is located. The agreed compensation amounted to \$725,300 thousand (RMB161,653 thousand). Upon execution of the agreement, Zhejiang Rectron received an initial payment of \$362,652 thousand (RMB80,827 thousand) in the same year, and an additional \$179,040 thousand (RMB39,904 thousand) was received in March 2025. As of December 31, 2025, a total of \$541,692 thousand (RMB120,731 thousand) had been received and was recognized under other current liabilities. In addition, relocation costs incurred during the current period amounted to \$1,382 thousand (RMB308 thousand), which were offset against the aforementioned compensation in accordance with the relocation compensation agreement.

Furthermore, in line with the Group's overall planning, Zhejiang Rectron entered into a factory acquisition agreement in August 2024. The handover procedures were completed in 2024, and a payable for the factory in the amount of \$179,263 thousand (RMB39,904 thousand) was recognized under other payables. The payment has been settled in the current period in accordance with the terms of the aforementioned agreement.

10. Losses due to major disasters: none**11. Subsequent events: none**

(Continued)

12. Others

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	For the Years Ended December 31,					
		2025			2024		
		Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits							
Salary		27,753	93,487	121,240	20,562	93,069	113,631
Labor and health insurance		1,314	8,170	9,484	1,313	7,851	9,164
Pension		470	4,861	5,331	495	4,794	5,289
Others		961	5,460	6,421	640	3,855	4,495
Depreciation		38,650	12,386	51,036	38,577	10,756	49,333
Amortization		464	517	981	473	2,251	2,724

13. Other disclosure items

(a) Information on significant transaction:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group For the Years Ended December 31, 2025:

1. Lending to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	Rectron China	CHU-TING	Other receivables	Yes	189,775	90,518	90,518	-	2 (note 4)	-	Operation Requirements	-	-	-	313,125	313,1250

Note 1: For business transactions with counterparties, the business transaction amount is determined based on the cumulative sales (or purchases) amount between the two parties over the preceding twelve months.

Note2: According to our policy, the calculation for the maximum total amount of loans granted are as follows:

(1) The Company

Individual counterparty funding limit = Shareholders' equity x 40% = \$1,808,154thousand x 40% = \$723,262thousand.

The maximum funding limit for an individual counterparty = Shareholders' equity x 40% = \$1,808,154thousand x 40% = \$723,262 thousand.

(2) Rectron Electronics (China)

Individual counterparty funding limit = Shareholders' equity x 500% = \$62,625thousand x 200% = \$313,125 thousand.

The maximum funding limit for an individual counterparty = Shareholders' equity x 500% = \$62,625thousand x 200% = \$313,125 thousand.

Note 3: The amounts have been eliminated in the preparation of the consolidated financial statements.

Note 4: (1) Business transaction with counterparts exists.

(2) Short-term funding is necessary.

2. Guarantees and endorsements for other parties: None.

(Continued)

3. Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures not included):

(Amounts in Thousands of New Taiwan Dollar)

Company holding securities	Security type and name	Relationship with the Group	Account	December 31, 2025				Remark
				Shares	Carrying value	Percentage of ownership (%)	Market value (or net value)	
00The Company	Corporate bonds – Apple	-	Non-current financial assets at fair value through other comprehensive income	-	25,064	-%	25,064	
The Company	Corporate bonds – AT&T	-	Non-current financial assets at fair value through other comprehensive income	-	8,776	-%	8,776	
The Company	Corporate bonds – Pfizer	-	Non-current financial assets at fair value through other comprehensive income	-	3,819	-%	3,819	
CHU-TING	Fund - Yuanta High Dividend 0056	-	Current financial assets at fair value through profit or loss	21,000	771	-%	771	
CHU-TING	Stock - LMT	-	Current financial assets at fair value through profit or loss	9,550	145,177	-%	145,177	
CHU-TING	Stock - NVDA	-	Current financial assets at fair value through profit or loss	6,160	36,108	-%	36,108	
Rectron China	Stock - NVDA	-	Current financial assets at fair value through profit or loss	7,500	44,015	-%	44,015	
Rectron China	Stock –FU SHOU YUAN	-	Current financial assets at fair value through profit or loss	2,287,000	25,949	-%	25,949	

4. Information regarding related-party purchases and/or sales exceeding 100 million or 20% of the Group's paid-in capital:

(Amounts in Thousands of New Taiwan Dollar)

Company name	Related party	Nature of relationship	Transaction details				Abnormal transaction		Trade receivables (payables) and notes receivable (payable)		Remark
			Item	Amount	Percentage of the purchases (sales) (%)	Payment term	Unit price	Payment terms	Ending balance	Percentage of total receivables (payables)	
The Company	Rectron China	Parent-subsidiary relationship	Purchase	398,276	79 %	Normal	Normal	90-120 Days	(34,497)	(48)%	
Rectron China	The Company	Parent-subsidiary relationship	Sales	398,276	(100) %	Normal	Normal	90-120 Days	34,497	99%	
Rectron China	Zhejiang Rectron	Investee companies that are also evaluated using the equity method by the Company	Purchase	355,686	100 %	Normal	Normal	120 Days	(121,172)	(100)%	
Zhejiang Rectron	Rectron China	Investee companies that are also evaluated using the equity method by the Company	Sales	355,686	(80) %	Normal	Normal	120 Days	121,172	56%	

Note: It has been offset in the preparation of the consolidated financial statements.

5. Information regarding receivables from related parties exceeding 100 million or 20% of the Group's paid-in capital:

(Amounts in Thousands of New Taiwan Dollar)

Company name	Related party	Nature of relationship	Balance as December 31, 2025	Turnover	Overdue		Amount received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Zhejiang Rectron	Rectron China	Investee companies that are also evaluated using the equity method by the Company	121,172	5.43%	-	-	-	-

Note: It has been offset in the preparation of the consolidated financial statements.

(Continued)

6. Significant transactions and business relationship between the parent company and its subsidiaries For the Years Ended December 31, 2025:

(Amounts in Thousands of New Taiwan Dollar)

No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Intercompany transactions			
				Account	Amount	Terms	Percentage of total net sales or assets
0	Rectron Ltd.	Rectron China	1	Operating cost	398,276	Calculated with finished product cost plus agreed profit.	47%
0	Rectron Ltd.	Rectron China	1	Trade payables	34,497	Adjusted according to the overall funding situation between the parent and subsidiary companies, with a term of 120 days as stipulated in the agreement.	1%
0	Rectron Ltd.	REEI	1	Operating revenue	49,017	Calculated with finished product cost plus agreed profit.	6%
0	Rectron Ltd.	REEI	1	Trade receivable	14,236	Adjusted according to the overall funding situation between the parent and subsidiary companies, with a term of 120 days as stipulated in the agreement.	1%
1	Rectron China	Zhejiang Rectron	3	Operating cost	335,686	Calculated with finished product cost plus agreed profit.	42%
1	Rectron China	Zhejiang Rectron	3	Trade payables	121,172	Adjusted according to the overall funding situation between the parent and subsidiary companies, with a term of 120 days as stipulated in the agreement.	5%
2	CHU-TING	Rectron China	3	Other payables	90,518	Adjusted according to the overall funding situation between the parent and subsidiary companies, with a term of 120 days as stipulated in the agreement.	3%

Note 1: Companies are numbered as follows:

Parent company — 0

Subsidiary — starting from 1

Note 2: The relationships between transaction parties are numbered as follows:

Parent company and subsidiary — 1

Subsidiary and parent company — 2

Subsidiary and subsidiary — 3

(b) Information on investments:

The followings are the information on investees For the Years Ended December 31, 2025:

(Amounts in Thousands of New Taiwan Dollar)

Name of investor	Name of investee	Location	Main businesses	Original investment amount		Balance as of December 31, 2025			Highest shareholding or capital contribution during the period	Net income (loss) of the investee	Investment income (loss) recognised by the Group	Remark
				December 31, 2025	December 31, 2024	Shares	Percentage	Carrying value				
The Group	REEI	USA	Sales of rectifiers, etc. Electronic components	142,264	142,264	205,000	100.00%	(731)	100.00%	(6,355)	(7,344)	
The Group	Rectron China	Hong Kong	Sales of rectifiers, etc. Electronic components	282,573	282,573	20,000	100.00%	62,625	100.00%	(5,139)	(6,821)	
The Group	CHU-TING	Taiwan	Wholesale of tobacco and alcohol products and manufacturing and sales of medical equipment.	164,987	109,987	20,000,000	100.00%	205,601	100.00%	(1,532)	(1,532)	

Note: In the preparation of the consolidated financial statements, the Company's holdings of marketable securities and the subsidiaries' shareholders' equity have been eliminated.

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(Amounts in Thousands of New Taiwan Dollar)

Investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (losses) of the investee	Percentage of ownership	Highest shareholding or capital contribution during the period	Investment income (loss) recognized	Carrying value as of December 31, 2025	Accumulated inward remittance of earnings as of December 31, 2025
					Outflow	Inflow							
Zhejiang Rectron	Manufacturing and sales of rectifiers and other electronic components.	64,940 (NOTE1) USD2,000	NOTE 1(3)	409,029 USD12,000	-	340,857 USD10,000	68,172 USD2,000	(14,322)	100.00%	100.00%	(14,322)	(24,920)	-

Note1: Zhejiang Rectron completed the capital reduction registration with the local authorities on November 15, 2024, reducing capital by USD 10,000 thousand. The reduction was applied against the original investment amount using the exchange rate of 32.47 on the same day. The funds were remitted to the Company on January 2, 2025, at an exchange rate of 32.865 TWD/USD. Approval from the Investment Commission of the Ministry of Economic Affairs was obtained on May 13, 2025.

(Continued)

(ii) Upper limit on investment in Mainland China:

(Amounts in Thousands of New Taiwan Dollar)

Accumulated investment in Mainland China as of December 31, 2025	Investment amount authorized by Investment Commission, MOEA	Upper limit on investment
62,860 USD 2,000	187,637 USD 5,970	1,084.892

Note 1: Investment methods are categorized into the following three types, simply indicated by their types:

(1) Direct investment in mainland China.

(2) Investment in Mainland China through a third-party company in another region (please specify the investment company in that third region).

(3) Others method.

Note 2: In the investment gains/losses recognized in this period column:

(1) If it is under preparation and there are no investment gains/losses yet, it should be noted.

(2) The basis for recognizing investment gains/losses is the consolidated financial statements audited and certified by the certified public accountant of the Taiwan parent company.

Note 3: According to the limits set forth in the "Principles for the Review of Investment or Technical Cooperation in Mainland China".

Note 4: According to the "Principles for Reviewing Investment or Technical Cooperation in Mainland China," there are limits to the amount of investment.

Note 5: Zhejiang Rectron completed the capital reduction registration with the local authorities on November 15, 2024, reducing capital by USD 10,000 thousand. The funds were remitted to the Company on January 2, 2025. Approval from the Investment Commission of the Ministry of Economic Affairs was obtained on May 13, 2025.

Equity net worth $\times 60\%$ = \$1,808,154 thousand $\times 60\%$ = \$1,084,892 thousand.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of Parent Company Only Consolidated financial statements, are disclosed in "Information on significant transactions".

14. Segment information

(a) General information

The Group has four reporting segments: Electronics, Real Estate Investment, Medical Equipment, and Wine Trading. The Diode segment is engaged in the manufacturing and sales of various rectifiers and other semiconductor components. The Real Estate Investment segment is engaged in the business of leasing office buildings and factories. The Medical Equipment segment is engaged in the business of buying and selling and manufacturing masks. The Wine Trading segment is engaged in the business of trading red and white wines.

The reporting segments of the Group are strategic business units that provide different products and services. As each strategic business unit requires different technology and marketing strategies, they need to be managed separately.

(b) Information of profit or loss, assets, liabilities, basis and adjustments of which of departments to be reported.

The Group uses the departmental pre-tax profit (excluding non-recurring gains and losses and exchange gains and losses) reviewed by the chief operating decision-maker in the internal management report as the basis for resource allocation and performance evaluation by the management. Since income tax, non-recurring gains and losses, and exchange gains and losses are managed on a group basis, the Group does not allocate income tax expenses (benefits), non-recurring gains and losses, and exchange gains and losses to the reporting segments. In addition, not all significant non-cash items, other than depreciation and amortization, are included in the income statement of all reporting segments. The amounts reported are consistent with the reports used by the operating decision-makers.

The information and adjustments for the operating segments of the Group are as follows:

The Group's operating segment information and reconciliation are as follows:

(Continued)

For the Years Ended December 31, 2025	Electronics Department	Property Management Division	Medical Devices Division	Wine Trading Department	Other Department	Reconciliati on and elimination	Total
Revenue							
Revenue from external customers	\$ 808,838	22,683	8,329	5,918	-	-	845,768
Intersegment revenues	800,437	-	335	-	-	(800,772)	-
Total revenue	<u>\$ 1,609,275</u>	<u>22,683</u>	<u>8,664</u>	<u>5,918</u>	<u>-</u>	<u>(800,772)</u>	<u>845,768</u>
Interest Expense	\$ 177	-	-	-	-	-	177
Depreciation and Amortization	36,100	9,044	6,873	-	-	-	52,017
Reportable segment profit or loss	<u>\$ 116,058</u>	<u>14,407</u>	<u>(23,128)</u>	<u>1,187</u>	<u>30,679</u>	<u>(15,697)</u>	<u>123,506</u>
Assets							
Investments Accounted for Using the Equity Method	<u>\$ 268,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(268,226)</u>	<u>-</u>
Reportable Segment Assets	<u>\$ 1,785,555</u>	<u>940,360</u>	<u>122,895</u>	<u>179,918</u>	<u>-</u>	<u>(422,588)</u>	<u>2,606,140</u>
For the Years Ended December 31, 2024	Electronics Department	Property Management Division	Medical Devices Division	Wine Trading Department	Other Department	Reconciliation and elimination	Total
Revenue							
Revenue from external customers	\$ 721,360	23,217	8,494	4,386	-	-	757,457
Intersegment revenues	634,383	-	342	-	-	(634,725)	-
Total revenue	<u>\$1,355,743</u>	<u>23,217</u>	<u>8,836</u>	<u>4,386</u>	<u>-</u>	<u>(634,725)</u>	<u>757,457</u>
Interest Expense	\$ 301	-	-	-	-	-	301
Depreciation and Amortization	33,363	10,077	8,617	-	-	-	52,057
Reportable segment profit or loss	<u>\$ 150,648</u>	<u>14,390</u>	<u>(19,244)</u>	<u>706</u>	<u>33,471</u>	<u>(24,366)</u>	<u>155,605</u>
Assets							
Investments Accounted for Using the Equity Method	<u>\$ 238,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(238,692)</u>	<u>-</u>
Reportable Segment Assets	<u>\$ 2,137,386</u>	<u>963,889</u>	<u>170,963</u>	<u>84,868</u>	<u>-</u>	<u>(703,418)</u>	<u>2,645,783</u>

(c) Geographic information

The regional information of the group is as follows, with revenue classified based on the geographical location of the customers.

Region	December 31, 2025	December 31, 2024
Revenue from external customers:		
Taiwan	\$ 41,880	\$ 40,100
China	702,122	624,372
Americas	89,535	85,757
Europe	11,450	6,095
Others	781	1,133
Total	<u>\$ 845,768</u>	<u>\$ 757,457</u>

(Continued)