

Stock Code : 2313

COMPEQ MANUFACTURING CO., LTD.
PARENT COMPANY ONLY FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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The auditors' report and the accompanying parent company only 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 auditors' report and parent company only financial statements, the Chinese version shall prevail.

INDEPENDENT AUDITORS' REPORT

NO.00151140EA

To the Board of Directors of Compeq Manufacturing Co., Ltd.,

Opinion

We have audited the accompanying parent company only financial statements of Compeq Manufacturing Co., Ltd. (collectively referred to as “the Company”), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

Key audit matters for the Company’s parent company only financial statements for the year ended December 31, 2025 are explained as follows:

Revenue recognition from shipping warehouses

Description of the key audit matter

Refer to note 4(14) and 6(18) of the parent company only financial statements for the information relating to revenue recognition.

The Company's sales come in two types of direct shipping from factories and shipping from warehouses, revenue is recognized on the transfer of control of the products on an individual sales contract basis. In which the revenue from shipping warehouses is recognized when the customer picks up the products. The Company mainly recognizes its revenue in accordance with the statements or other information provided by the custodians of shipping warehouses and reconciliation with any change in recorded inventory. Given that the shipping warehouses spread many regions and the sales terms for each major customer also vary, such revenue recognition process often involves a lot of labor in operation, which is likely to result in inappropriate timing to recognize the revenue or inconsistency between physical quantity and recorded quantity of the inventory in custody. On the other hand, it requires both parties' labor judgment to determine if a shipment meets the terms for customer's acquisition of products control right and such risk is the major measurement index adopted by the report users. As such, the deadline of the recognition of the revenue of the products sold from shipping warehouses is listed as one of the key audit matters.

How the matter was addressed in our audit

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

1. Understand and assess the propriety of the accounting policy for revenue recognition, and evaluate and test the internal control in relation to the timing of revenue recognition.
2. Implement the deadline test for the revenue from shipping warehouses in the periods before or after the balance sheet date, and check if customer account statement data, change in recorded inventory, revenue and cost carry-over were recorded at appropriate times.
3. Execute sending confirmation letters or field stock-taking observation for the quantity of inventory in shipping warehouses, and check as well as reconcile the warehouse inventory quantity with the recorded inventory quantity. In case of any inconsistency with the recorded inventory quantity found from the enquiry response or stock-taking observation, the reasons for the inconsistency will be investigated and the test for the reconciliation items shall be executed, so as to confirm if material differences are properly adjusted and recorded.

Evaluation of allowance for loss on reduction of inventory to market

Description of the key audit matter

Refer to note 4(7), 5(2) and 6(3) of the parent company only financial statements for the information relating to inventory valuation.

The Company mainly engages in manufacture and sales of PCB(Printed Circuit Boards). Due to their short life cycle and severe competition in the industry, electronic products are susceptible to the volatility of market prices, so they have higher risk in losses on reduction of inventory to market and inventory obsolescence. The net realizable value adopted by The Company for invalid and obsolescent inventory often involves subjective judgment. Given that The Company's inventory and its allowance for loss on reduction of inventory to market have a vital impact on its financial statements, the valuation of the allowance for loss on reduction of inventory to market is listed as one of the key audit matters.

How the matter was addressed in our audit

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

1. Evaluate if the policy and procedure for setting aside the allowance for loss on reduction of inventory to market are appropriately and consistently adopted.
2. Understand the inventory warehouse management process, inspect the annual stock-taking plan and participate in the annual observation of stock-taking, so as to confirm the inventory management and status.
3. Acquire the statement to identify inventory obsolescence and invalidation and verify inventory aging propriety and rationality, so as to confirm the possibility for the loss of the inventory exceeding a certain inventory age and coverage of the invalid and obsolescent inventory items in the statement, and ensure the consistence of the statement information with the policy.
4. Inspect a variety of data adopted by the management for calculation of the inventory net realizable value, and give random check and calculation to evaluate the rationality of the inventory net realizable value and judge if relevant disclosures are adequate.

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

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

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

Those charged with governance, (including members of the Audit Committee), are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent company only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Baker Tilly Clock & Co
Hsin-Liang Wu, CPA
Chi-Ping Lin, CPA
March 5, 2026

Notes to Readers

The accompanying parent company only financial statements are intended only to present the parent company only 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 audit (or review) such parent company only financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying parent company only 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 auditors' report and parent company only financial statements, the Chinese version shall prevail.

COMPEQ MANUFACTURING CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollars)

ASSETS	NOTES	December 31,2025		December 31,2024	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 4,632,485	6.54	\$ 5,389,028	8.04
Notes receivable	6(2)	—	—	74	—
Accounts receivable	6(2)	8,458,945	11.95	8,353,620	12.47
Receivables from related parties	6(2),7	91,225	0.13	275,319	0.41
Other receivables	7	4,409,501	6.23	4,179,852	6.24
Current tax assets	6(22)	30,025	0.04	10,024	0.01
Inventories	6(3)	3,443,871	4.87	2,495,514	3.72
Prepayments		105,042	0.15	81,769	0.12
Other financial assets-current	6(4),8	3,020,717	4.27	3,680,319	5.49
Other current assets		38,416	0.05	38,230	0.06
Total current assets		24,230,227	34.23	24,503,749	36.56
NON-CURRENT ASSETS					
Financial assets at fair value through other comprehensive income-non-current	6(5)	121,410	0.17	—	—
Investments accounted for using equity method	6(6)	38,376,785	54.22	34,538,354	51.53
Property, plant and equipment	6(7),7,8	7,277,571	10.28	7,356,314	10.98
Right-of-use assets	6(8)	120,568	0.17	120,613	0.18
Intangible assets	6(9)	49,701	0.07	33,016	0.05
Deferred tax assets	6(23)	505,232	0.72	400,591	0.60
Refundable deposits		15,483	0.02	19,587	0.02
Net defined pension assets-non-current	6(15)	85,268	0.12	52,537	0.08
Other non-current assets		—	—	335	—
Total non-current assets		46,552,018	65.77	42,521,347	63.44
TOTAL		\$ 70,782,245	100.00	\$ 67,025,096	100.00

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

COMPEQ MANUFACTURING CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	NOTES	December 31,2025		December 31,2024	
		Amount	%	Amount	%
CURRENT LIABILITIES					
Short-term borrowings	6(10)	\$ —	—	\$ 223,050	0.33
Notes payable	6(11)	—	—	74	—
Accounts payable	6(11)	3,812,503	5.39	3,214,709	4.80
Payable to related parties	6(11),7	3,945,584	5.58	4,494,993	6.71
Other payables	6(12),7	2,578,988	3.64	2,560,675	3.82
Current tax liabilities	6(23)	966,522	1.37	725,392	1.08
Provisions-current	6(13)	186,629	0.26	175,445	0.26
Lease liabilities-current	6(8)	28,054	0.04	27,178	0.04
Current portion of long-term borrowings	6(14),8	268,750	0.38	711,915	1.06
Other current liabilities	7	1,488,887	2.10	1,007,290	1.50
Total current liabilities		13,275,917	18.76	13,140,721	19.60
NON-CURRENT LIABILITIES					
Long-term borrowings	6(14),8	5,335,000	7.54	4,898,750	7.31
Deferred tax liabilities	6(23)	4,219,969	5.96	4,428,388	6.61
Lease liabilities-non-current	6(8)	88,689	0.12	88,113	0.13
Total non-current liabilities		9,643,658	13.62	9,415,251	14.05
Total liabilities		22,919,575	32.38	22,555,972	33.65
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Capital stock	6(16)	11,918,206	16.84	11,918,206	17.78
Capital surplus	6(16)	1,060,226	1.50	1,060,226	1.58
Retained earnings	6(16)	34,157,929	48.26	30,456,881	45.45
Legal reserve		5,038,404	7.12	4,475,378	6.68
Special reserve		—	—	340,217	0.51
Unappropriated earnings		29,119,525	41.14	25,641,286	38.26
Other equity	6(16)	726,309	1.02	1,033,811	1.54
Exchange differences on translation of foreign operations		738,599	1.04	1,049,838	1.56
Unrealized gain (loss) on financial assets at fair value through other comprehensive income		(12,290)	(0.02)	(16,027)	(0.02)
Total equity		47,862,670	67.62	44,469,124	66.35
TOTAL		\$ 70,782,245	100.00	\$ 67,025,096	100.00

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

COMPEQ MANUFACTURING CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED ON DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan Dollars, Except Earnings Per Share)

DESCRIPTION	NOTE	2025		2024	
		Amount	%	Amount	%
OPERATING REVENUES	6(18),7	\$ 37,611,700	100.00	\$ 37,713,623	100.00
OPERATING COSTS	6(3),7	(31,964,595)	(84.99)	(30,979,388)	(82.14)
GROSS PROFIT BEFORE UNREALIZED GROSS		5,647,105	15.01	6,734,235	17.86
UNREALIZED PROFIT FROM SALES		(6,056)	(0.01)	(82,462)	(0.22)
REALIZED PROFIT FROM SALES		82,462	0.22	836	—
GROSS PROFIT		5,723,511	15.22	6,652,609	17.64
OPERATING EXPENSES					
Selling and marketing expenses		(599,073)	(1.59)	(572,601)	(1.52)
General and administrative expenses		(368,834)	(0.98)	(371,644)	(0.99)
Research and development expenses		(1,489,973)	(3.96)	(1,110,286)	(2.94)
Expected credit (loss) gain reversal	6(2)	(13,876)	(0.04)	2,402	0.01
Total operating expenses		(2,471,756)	(6.57)	(2,052,129)	(5.44)
INCOME FROM OPERATIONS		3,251,755	8.65	4,600,480	12.20
NON-OPERATING INCOME AND EXPENSES					
Interest income	7	350,114	0.93	275,101	0.73
Other income	6(19),7	157,347	0.42	226,451	0.60
Other gains and losses	6(20),7	(583,880)	(1.55)	342,522	0.91
Finance costs	6(21)	(111,307)	(0.30)	(104,381)	(0.28)
Share of profit of subsidiaries and associates	6(22)	4,230,984	11.25	1,486,409	3.94
Total non-operating income and expenses		4,043,258	10.75	2,226,102	5.90
INCOME BEFORE INCOME TAX		7,295,013	19.40	6,826,582	18.10
INCOME TAX EXPENSE	6(23)	(728,145)	(1.94)	(1,227,486)	(3.25)
NET INCOME		\$ 6,566,868	17.46	\$ 5,599,096	14.85
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit obligation	6(15)	(6,813)	(0.02)	38,952	0.10
Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income		13,586	0.04	—	—
Share of other comprehensive income (loss) of subsidiaries and associates		(9,849)	(0.03)	(1,878)	—
Income tax benefit (expense) related to items that will not be reclassified subsequently	6(23)	1,362	—	(7,790)	(0.02)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(16)	(389,048)	(1.03)	1,719,883	4.56
Income tax relating to the components of other comprehensive income (loss)	6(23)	77,809	0.21	(343,977)	(0.92)
Other comprehensive (loss) income, net of income tax		(312,953)	(0.83)	1,405,190	3.72
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 6,253,915	16.63	\$ 7,004,286	18.57
EARNING PER SHARE					
Basic	6(17)	\$ 5.51		\$ 4.70	
Diluted	6(17)	\$ 5.49		\$ 4.69	

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

COMPEQ MANUFACTURING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	Equity attributable to the owners of the Company							Total equity
	Capital Stock	Capital surplus	Retained earnings			Other equity		
			Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	
BALANCE, JANUARY 1, 2024	\$ 11,918,206	\$ 1,060,226	\$ 4,061,551	\$ 12,459	\$ 22,540,344	\$ (326,068)	\$ (14,149)	\$ 39,252,569
Appropriations of prior year’s earnings								
Legal reserve	—	—	413,827	—	(413,827)	—	—	—
Special reserve reversed	—	—	—	327,758	(327,758)	—	—	—
Cash dividends	—	—	—	—	(1,787,731)	—	—	(1,787,731)
Net income in 2024	—	—	—	—	5,599,096	—	—	5,599,096
Other comprehensive income in 2024, net of income tax	—	—	—	—	31,162	1,375,906	(1,878)	1,405,190
Total comprehensive income in 2024	—	—	—	—	5,630,258	1,375,906	(1,878)	7,004,286
BALANCE, DECEMBER 31, 2024	11,918,206	1,060,226	4,475,378	340,217	25,641,286	1,049,838	(16,027)	44,469,124
Appropriations of prior year’s earnings								
Legal reserve	—	—	563,026	—	(563,026)	—	—	—
Special reserve	—	—	—	(340,217)	340,217	—	—	—
Cash dividends	—	—	—	—	(2,860,369)	—	—	(2,860,369)
Net income in 2025	—	—	—	—	6,566,868	—	—	6,566,868
Other comprehensive income (loss) in 2025, net of income tax	—	—	—	—	(5,451)	(311,239)	3,737	(312,953)
Total comprehensive income in 2025	—	—	—	—	6,561,417	(311,239)	3,737	6,253,915
BALANCE, DECEMBER 31, 2025	\$ 11,918,206	\$ 1,060,226	\$ 5,038,404	\$ —	\$ 29,119,525	\$ 738,599	\$ (12,290)	\$ 47,862,670

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

COMPEQ MANUFACTURING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED ON DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 7,295,013	\$ 6,826,582
Adjustments for:		
Income and expense (loss) items		
Depreciation expense	1,325,289	1,398,970
Amortization expense	15,230	12,729
Expected credit loss (gain) reversal	13,876	(2,402)
Interest expense	111,307	104,381
Interest income	(350,114)	(275,101)
Share of profit of subsidiaries and associates	(4,230,984)	(1,486,409)
Loss on disposal and write-off of property, plant and equipment	15,018	6,122
Unrealized profit from sales	323	42
Realized profit from sales	(7,456)	(10,817)
Other Item	(12)	(6)
Changes in operating assets and liabilities		
Notes receivable	74	(74)
Accounts receivable	(119,201)	(1,138,999)
Receivables from related parties	184,094	(252,848)
Other receivables	3,755	(26,748)
Inventories	(948,357)	(4,722)
Prepayments	(23,273)	3,053
Other current assets	673	(2,523)
Other current financial assets	659,602	(1,420,144)
Net defined pension assets	(39,544)	(13,585)
Notes payable	(74)	(888)
Accounts payable	597,794	85,872
Payables to related parties	(549,409)	1,010,119
Other payables	(202,268)	205,105
Provisions	11,184	37,872
Other current liabilities	478,351	512,090
Net defined pension liabilities	—	(121,555)
Cash generated from operations	4,240,891	5,446,116
Interest received	299,840	312,267
Dividends received	—	425,150
Interest paid	(112,511)	(104,018)
Income taxes paid	(740,904)	(1,121,010)
Net cash generated by operating activities	\$ 3,687,316	\$ 4,958,505

(Continued)

COMPEQ MANUFACTURING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED ON DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	\$ (107,824)	\$ —
Acquisition of investments accounted for using equity method	—	(995,062)
Acquisition of property, plant and equipment	(1,115,692)	(574,597)
Proceeds from disposal of property, plant and equipment	112,079	28,644
Increase in Refundable Deposits	(64,400)	(70,690)
Decrease in Refundable Deposits	67,646	60,992
Increase in other Receivables from related parties	(183,130)	(1,631,325)
Acquisition of Intangible Assets	(31,580)	(7,266)
Net cash used in investing activities	(1,322,901)	(3,189,304)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(223,050)	223,050
Increase in long-term borrowings	3,605,000	1,305,000
Decrease in long-term borrowings	(3,611,915)	(1,103,251)
Increase in guarantee deposits received	8,990	6,431
Decrease in guarantee deposits received	(5,746)	(6,965)
Repayment of the principal portion of lease liabilities	(33,868)	(36,708)
Cash dividends	(2,860,369)	(1,787,731)
Net cash used in financing activities	(3,120,958)	(1,400,174)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(756,543)	369,027
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	5,389,028	5,020,001
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	\$ 4,632,485	\$ 5,389,028

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

COMPEQ MANUFACTURING CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Amounts in thousands of New Taiwan dollars, unless otherwise stated)

1. ORGANIZATION AND OPERATIONS

Compeq Manufacturing Co., Ltd. (the Company) was established in August 1973. It is engaged in the manufacture and sale of PCB (Printed Circuit Boards). On July 24, 1990, the Company's shares were listed on the Taiwan Stock Exchange (TWSE).

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors and authorized for issue on March 5, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, "Sale or contribution of assets between an investor and its associate or joint venture"	To be determined by International Accounting Standards Board
IFRS 18, "Presentation and disclosures in financial statements"	January 1, 2027
IFRS 19, "Subsidiaries without public accountability: disclosures"	January 1, 2027
Amendment to IAS 21, "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

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

IFRS 18, "Presentation and disclosure in financial statements"

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Accounting Standards Used in Preparation of the Parent Company Only Financial Statements").

(2) Basis of Preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value, and defined benefit assets recognized based on the net amount of pension fund assets less present value of defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The subsidiaries, associates and jointly controlled entities are incorporated in the parent company only financial statements under the equity method. To make net profit for the year, other comprehensive income and equity in the parent company only financial statements equal to those attributed to owners of the Company on parent company only financial statements, the effect of the differences between basis of parent company only and basis of consolidation are adjusted in the investments accounted for using equity method, the related share of the profit or loss, the related share of other comprehensive income of subsidiaries and associates and related equity.

(3) Current and Non-current Assets and Liabilities

Current assets are assets held for trading purposes and assets expected to be converted to cash, sold or consumed within one year from the end of the reporting period. Current liabilities are obligations incurred for trading purposes and obligation expected to be settled within one year from the end of the reporting period. Assets and liabilities that are not classified as current are non-current assets and liabilities, respectively.

(4) Foreign Currencies

In preparing the financial statements of each individual parent company only entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the closing rates. All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise, except for exchange differences on transactions entered into in order to hedge certain foreign-currency risks.
- C. For the items of currency receivable from or payable to foreign business operating institute, if there is no plan for liquidation or the liquidation is impossible to occur in the foreseeable future. Exchange differences arising on a monetary item that is part of a reporting entity's net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss upon disposal of such investment.

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

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company' foreign operations (including of the subsidiaries, associates and joint ventures operating in other countries or using currencies different from the Company's) are translated into New Taiwan dollars using exchange rates prevailing at each balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Including time deposits and repurchase agreements collateralized by corporate bonds.

Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operation are classified as cash equivalents.

(6) Financial Instruments

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

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

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. For the determination of fair value, please refer to Note 12.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or Convention in the marketplace.

a. Measurement category

Financial assets are classified into the following categories: financial assets at FVTPL, and financial assets at amortized cost.

A) Financial asset at FVTPL

For certain financial assets which include debt instruments that do not meet the criteria of amortized cost or FVTOCI, it is mandatorily required to measure them at FVTPL. Any gain or loss arising from remeasurement is recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest earned on the financial asset.

B) Measured at amortized cost

When the company invest in financial assets simultaneously meets the following two conditions, the financial assets are classified as the ones carried at cost after amortization:

- a) The financial assets are held under a specific operation mode, in which the purpose of the mode is to hold the financial assets in order to collect contract cash flows.
- b) The cash flow generated on a specific date due to contract clauses is completely for the payment of the principal and the interest accrued from the outstanding principal amount.

Cash and cash equivalents, notes and accounts receivable, other receivables and refundable deposits are measured at amortized cost. Subsequent to initial recognition, financial assets measured at amortized cost are measured at amortized cost, which equals to carrying amount determined by the effective interest method less any impairment loss. Foreign exchange gains and losses are recognized in profit or loss.

b. Impairment of financial assets

At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable).

The loss allowance for accounts receivable is measured at an amount equal to lifetime expected credit losses. For financial assets at amortized cost, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months after the reporting date. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life of a financial instrument.

The expected credit loss is calculated according to the average weighted credit loss in which the risk rated ratio of default occurrence is used in calculation. The 12-month expected credit loss represents the credit loss expected to occur to the financial instruments within 12 months after their reporting day due to possible default. The expected credit loss in the duration period refers to the credit loss expected to occur to the financial instruments in the expected duration period due to possible default.

The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c. Derecognition of financial assets

The Company derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

B. Equity instruments

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

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

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

C. Financial liabilities

a. Subsequent measurement

Financial liabilities other than those held for trading purposes and designated as at FVTPL are subsequently measured at amortized cost at the end of each reporting period.

Financial liabilities measured at FVTPL are derivative financial instruments that do not meet the criteria for hedge accounting, and they are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Related net profits or net losses are listed in “other profits and losses” of the statement of comprehensive income.

b. Derecognition of financial liabilities

The Company derecognizes financial liabilities only when the obligations are discharged cancelled or expires. The difference between the carrying amount of a financial liability removed and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

c. Offsetting financial instruments

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

D. Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

(7) Inventories

Inventories are included supplies, raw materials, work in process and Finished goods. Inventories are stated at the lower of cost or net realizable value. Inventories are recorded at weighted-average cost. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

(8) Investments Accounted for Using Equity Method

Investments accounted for using the equity method is investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the subsidiary and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in the subsidiary (including the carrying amount of the investment under the equity method and any other long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues to recognize its share of the losses based on its ownership interest.

The excess of the cost of acquisition over the Company's share of the fair value of the identifiable net assets of the subsidiary at the acquisition date is recognized as goodwill. Such goodwill is included in the carrying amount of the investment and is not amortized. Conversely, if the Company's share of the fair value of the identifiable net assets of the subsidiary at the acquisition date exceeds the cost of acquisition, the difference is recognized in profit or loss for the period.

When the Company loses control over a subsidiary, it measures any retained investment in the former subsidiary at its fair value on the date when control is lost. The difference between (a) the aggregate of the fair value of the consideration received and the fair value of any retained interest at that date, and (b) the carrying amount of the investment in the subsidiary as of the date of loss of control, is recognized in profit or loss. In addition, all amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Unrealized gains and losses arising from downstream transactions between the Company and its subsidiaries are eliminated in the Company's parent-only financial statements. Gains and losses from upstream and lateral transactions are recognized in the parent-only financial statements only to the extent that they relate to interests not owned by the Company in the subsidiaries.

(9) Property, Plant, and Equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Properties under construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. These properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation is recognized using the straight-line method. Each significant item is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Depreciation is computed by the straight-line method over the estimated useful lives. The estimated useful lives are as follows:

Buildings: 5-35 years; machinery and equipment: 6-10 years; computer equipment: 3-8 years; testing equipment: 5-8 years; pollution-prevention equipment: 3-10 years; transportation equipment: 5-7 years; furniture and fixtures: 5-8 years; other equipment: 5-15 years.

(10) Leases

The Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentive received. Right-of-use assets are subsequently measured as cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

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

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

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

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

(11) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life is assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life.

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

(12) Impairment of Non-financial Assets

At each balance sheet date, the Company review the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. When amortization can be reasonably and consistently made, common assets can also be amortized to individual cash production units. Otherwise, the amortization shall be made to the minimum cash production unit group in a reasonable and consistent way.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

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

(13) Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

The present obligation arising from any onerous contracts shall be listed and measured as a liability reserve. When the unavoidable cost required for obligation fulfillment of a signed contract exceeds the economic effect expected to gain from the contract, the contract shall be referred to as an onerous contract.

Provision for carbon fee liability recognized in accordance with the relevant regulations, including the carbon fee collection regulations, is measured based on the best estimate of the expenditure required to settle the obligation for the current year.

(14) Revenue recognition

When applying IFRS 15, the Company shall recognize revenue by applying the following steps:

- (a) Identify the contract with the customer;
- (b) Identify the performance obligations in the contract;
- (c) Determine the transaction price;
- (d) Allocate the transaction price to the performance obligations in the contract; and
- (e) Recognize revenue when the entity satisfies a performance obligation.

Sales of goods

Revenue is recognized when the goods committed by the Company are transferred to the customer to fulfill the contract performance obligation, i.e. the revenue is recognized when the customer acquires the control right of the goods, in which the net amount of the contract price deducting estimated sales allowance is set aside and recognized. The revenue recognition amount is limited to the part where material reversal is very unlikely to occur, and the estimation is renewed at each balance sheet day. The allowance for sales discounts of the sales related estimates as of the balance sheet date is listed as the refund liabilities.

(15) Borrowing Costs

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

If a specific loan is used for temporary investment before being applied to the capital expenditure meeting required elements and therefore earns the investment income, it shall be deducted from the loan cost meeting the terms of capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(16) Employee Benefits

A. Short-term employee benefits

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

B. Retirement benefits

For defined contribution retirement benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution. For defined benefit retirement benefit plans, the cost of providing benefit is recognized based on actuarial calculations.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost (including current service cost), and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

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

(17) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

A. Current tax

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

Income tax on unappropriated earnings is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

B. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the parent company only financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, net operating loss carryforwards and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

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

C. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 4, the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The following are the critical judgments, apart from those involving estimations, that the Company has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the parent company only financial statements.

(1) Estimated impairment of Financial assets

The estimation of allowance for doubtful accounts is based on the Company's assumptions regarding default rates and expected loss rates. The Company considers historical experience, current market conditions, and forward-looking information to form these assumptions and selects input values for the impairment assessment. If the actual future cash flows are less than expected, material impairment losses may arise.

(2) Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value, and the Company use judgment and estimate to determine the net realizable value of inventory at the end of each reporting period.

Due to the rapid industrial changes, the Company estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
Cash on hand	\$ 4,247	\$ 3,119
Demand deposits and checking accounts	1,896,119	2,424,026
Cash equivalent		
Time deposits	2,181,853	1,729,929
Repurchase agreements of bonds	550,266	1,231,954
Total	<u>\$ 4,632,485</u>	<u>\$ 5,389,028</u>

(A) The bank deposits and bonds interest rate as of December 31, 2025 and 2024 were as follows:

	December 31, 2025	December 31, 2024
Demand deposits	0.000%~3.700%	0.002%~0.800%
Time deposits	0.510%~4.020%	1.225%~4.750%
Repurchase agreements of bonds	1.430%~4.000%	1.400%~4.880%

(B) The Company's bank time deposit certificates which are three months past the initial due dates are listed under the item of other financial assets-current. Please refer to Note 6(4).

(2) NOTES AND ACCOUNTS RECEIVABLE- NET

	December 31, 2025	December 31, 2024
Notes receivable	<u>\$ —</u>	<u>\$ 74</u>
Accounts receivable	8,564,432	8,445,231
Less: Loss allowance	(105,487)	(91,611)
Net	8,458,945	8,353,620
Receivables from related parties	91,225	275,319
Total	<u>\$ 8,550,170</u>	<u>\$ 8,628,939</u>

- (A) The Company's notes receivable is all undue.
- (B) The Company does not hold any collateral for its notes receivable and accounts receivable.
- (C) The Company with which the estimated allowance for sales discounts is listed as the refund liabilities. As of December 31, 2025 and 2024, the balance of the refund liabilities were \$1,377,514 thousand and \$872,324 thousand (listed as other current liabilities), respectively.
- (D) The aging analysis of accounts receivable with expected credit losses were determined as follows:

(a) December 31, 2025

	Carrying amount of accounts receivable	Expected credit loss rate	Loss allowance for lifetime expected credit losses
Non past due	\$ 8,590,847	0% ~ 10%	\$ 103,720
Past due less than 30 days	60,063	0% ~ 10%	1,735
Past due 31-100 days	4,740	0% ~ 10%	29
Past due less than 101- 180 days	7	50% ~ 60%	3
Past due 181-365 days	—	100%	—
Total	<u>\$ 8,655,657</u>		<u>\$ 105,487</u>

(b) December 31, 2024

	Carrying amount of accounts receivable	Expected credit loss rate	Loss allowance for lifetime expected credit losses
Non past due	\$ 8,694,354	0% ~ 10%	\$ 79,990
Past due less than 30 days	9,588	0% ~ 10%	4,337
Past due 31-100 days	16,608	0% ~ 10%	7,284
Past due less than 101- 180 days	—	50% ~ 60%	—
Past due 181-365 days	—	100%	—
Total	<u>\$ 8,720,550</u>		<u>\$ 91,611</u>

The above aging schedule was based on the past due date.

- (E) Movements of the allowance for doubtful accounts were as follows:

	For the Year Ended December 31	
	2025	2024
Balance, beginning of year	\$ 91,611	\$ 94,013
Provision (Reversal)	13,876	(2,402)
Balance, end of year	<u>\$ 105,487</u>	<u>\$ 91,611</u>

(3) INVENTORIES

	December 31, 2025	December 31, 2024
Raw materials	\$ 688,493	\$ 470,754
Supplies	149,756	105,666
Work in process	1,380,039	1,010,623
Finished goods	1,135,277	718,557
Goods	90,306	189,914
Total	<u>\$ 3,443,871</u>	<u>\$ 2,495,514</u>

(A) As of December 31, 2025 and 2024, the allowance for inventory devaluation (including normal and idle products) were \$772,760 thousand and \$688,024 thousand, respectively.

(B) The cost of inventories recognized as cost of sales for the years ended December 31, 2025 and 2024 were as follows:

	For the Year Ended December 31	
	2025	2024
The cost of goods sold	\$ 32,029,585	\$ 31,040,980
Provision for (Reversal of) loss on inventories	(306)	(8,750)
Loss on scrapped inventories	222,116	202,162
Income from scrap sales	(408,748)	(373,201)
Unamortized fixed manufacturing costs	121,948	118,197
Total	<u>\$ 31,964,595</u>	<u>\$ 30,979,388</u>

The reversal of loss on inventories in 2025 and 2024 was due to a better product structure.

(4) OTHER CURRENT FINANCIAL ASSETS

	December 31, 2025	December 31, 2024
Non-cash equivalent of time deposits	\$ 3,010,240	\$ 3,670,000
Restricted time deposits	10,477	10,319
Total	<u>\$ 3,020,717</u>	<u>\$ 3,680,319</u>

The interest rate interval of the balance sheet date of the financial assets were as follows:

	December 31, 2025	December 31, 2024
Interest rate interval	<u>0.700%~1.750%</u>	<u>1.280%~1.750%</u>

Detail of the other current-financial assets to others as collateral, please refer to Note 8.

(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME-NON-CURRENT

	December 31, 2025	December 31, 2024
Equity instruments		
Non-Publicly traded stocks	<u>\$ 121,410</u>	<u>\$ —</u>

These investments in equity instruments are held for medium- to long-term strategic purposes, and the Company expects to realize returns through long-term investment. Accordingly, management has elected to designate these investments at fair value through other comprehensive income (FVOCI), as recognizing short-term fluctuations in their fair value in profit or loss would not be consistent with the Company's long-term investment strategy.

(6) INVESTMENT ACCOUNTED FOR EQUITY METHOD

Subsidiaries	Carrying Amount		% of Ownership and Voting Right Held by the Company	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Subsidiaries:				
HUATON HOLDINGS LIMITED	\$ 34,171,082	\$ 30,711,939	100.00%	100.00%
PELICAN COVE INVESTMENT LTD.	798,617	819,010	100.00%	100.00%
Hua Nian Investment Ltd.	299,839	305,257	100.00%	100.00%
LITON HOLDINGS LTD.	1,028	1,239	100.00%	100.00%
COMPEQ(Thailand) Co., Ltd.	3,106,219	2,700,909	100.00%	100.00%
Total	<u>\$ 38,376,785</u>	<u>\$ 34,538,354</u>		

The equity method was adopted for recognizing subsidiary's profit or loss and the share of other comprehensive profit or loss of 2025 and 2024, in which the recognition was calculated according to the subsidiary's financial statements audited by the CPA in the same period.

(7) PROPERTY, PLANT AND EQUIPMENT

Item	For the Year Ended December 31, 2025				
	Balance, Beginning of year	Additions	Disposals	Reclassifications	Balance, End of year
<u>Cost</u>					
Land	\$ 679,148	\$ —	\$ —	\$ —	\$ 679,148
Buildings and structures	3,615,391	12,005	(10,516)	—	3,616,880
Machinery and equipment	14,146,009	589,437	(877,875)	—	13,857,571
Computer equipment	104,723	16,637	(14,712)	—	106,648
Testing equipment	1,835,581	11,770	(141,339)	—	1,706,012
Pollution prevention equipment	648,486	6,790	(3,821)	—	651,455
Transportation equipment	54,521	7,250	(8,272)	—	53,499
Office equipment	48,675	—	(1,715)	—	46,960
Other facilities	5,286,580	257,459	(94,895)	—	5,449,144
Construction in progress	290,260	436,129	—	—	726,389
Total	<u>\$ 26,709,374</u>	<u>\$ 1,337,477</u>	<u>\$ (1,153,145)</u>	<u>\$ —</u>	<u>\$ 26,893,706</u>
<u>Accumulated depreciation and impairment</u>					
Buildings and structures	\$ 3,312,315	\$ 57,900	\$ (10,265)	\$ —	\$ 3,359,950
Machinery and equipment	9,848,377	820,549	(769,604)	—	9,899,322
Computer equipment	91,644	5,356	(14,265)	—	82,735
Testing equipment	1,129,712	133,879	(128,682)	—	1,134,909
Pollution prevention equipment	539,716	25,181	(3,447)	—	561,450
Transportation equipment	42,942	2,436	(7,116)	—	38,262
Office equipment	47,061	5	(1,670)	—	45,396
Other facilities	4,341,293	244,606	(91,788)	—	4,494,111
Total	<u>19,353,060</u>	<u>\$ 1,289,912</u>	<u>\$ (1,026,837)</u>	<u>\$ —</u>	<u>19,616,135</u>
Net	<u>\$ 7,356,314</u>				<u>\$ 7,277,571</u>

For the Year Ended December 31, 2024

Item	Balance, Beginning of year	Additions	Disposals	Reclassifications	Balance, End of year
<u>Cost</u>					
Land	\$ 679,148	\$ —	\$ —	\$ —	\$ 679,148
Buildings and structures	3,588,584	34,798	(7,991)	—	3,615,391
Machinery and equipment	14,269,084	249,305	(372,380)	—	14,146,009
Computer equipment	111,479	4,074	(10,830)	—	104,723
Testing equipment	1,929,683	32,904	(127,006)	—	1,835,581
Pollution Prevention equipment	650,147	(143)	(1,518)	—	648,486
Transportation equipment	47,827	6,694	—	—	54,521
Office equipment	49,292	—	(617)	—	48,675
Other facilities	5,136,319	174,137	(23,876)	—	5,286,580
Construction in progress	145,243	146,917	(1,900)	—	290,260
Total	\$ 26,606,806	\$ 648,686	\$ (546,118)	\$ —	\$ 26,709,374
<u>Accumulated depreciation and impairment</u>					
Buildings and structures	\$ 3,248,012	\$ 72,058	\$ (7,755)	\$ —	\$ 3,312,315
Machinery and equipment	9,354,406	855,992	(362,021)	—	9,848,377
Computer equipment	97,244	4,836	(10,436)	—	91,644
Testing equipment	1,092,971	142,162	(105,421)	—	1,129,712
Pollution Prevention equipment	513,421	27,769	(1,474)	—	539,716
Transportation equipment	40,182	2,760	—	—	42,942
Office equipment	47,650	9	(598)	—	47,061
Other facilities	4,107,823	256,515	(23,045)	—	4,341,293
Total	18,501,709	\$ 1,362,101	\$ (510,750)	\$ —	19,353,060
Net	\$ 8,105,097				\$ 7,356,314

(A) The significant part of the Company's buildings includes main plants and affiliated equipment and the related depreciation is calculated using the estimated useful lives of 20 to 35 years, and 5 to 30 years, respectively.

(B) As of December 31, 2025 and 2024, the Company mortgaged or pledged property, plant and equipment, please refer to Note 8.

(8) LEASE

(A) Right-of-use assets

Carrying amounts	December 31, 2025	December 31, 2024
Land	\$ 4,651	\$ 9,039
Buildings	103,749	98,407
Transportation equipment	12,168	13,167
Total	\$ 120,568	\$ 120,613

Depreciation of right-of-use assets	For the Year Ended December 31	
	2025	2024
Land	\$ 4,388	\$ 4,659
Buildings	21,984	21,856
Transportation equipment	9,005	10,354
Total	<u>\$ 35,377</u>	<u>\$ 36,869</u>

For the year ended December 31, 2025 and 2024, the addition to right-of-use assets were \$36,086 thousand and \$21,061 thousand, respectively.

(B) Lease liabilities

Carrying amounts	December 31, 2025	December 31, 2024
Lease liabilities-current	\$ 28,054	\$ 27,178
Lease liabilities-non-current	88,689	88,113
Total	<u>\$ 116,743</u>	<u>\$ 115,291</u>
Ranges of discount rates for lease liabilities	<u>1.420%~1.920%</u>	<u>1.420%~1.750%</u>

(C) Other lease information

Items affecting profit or loss	For the Year Ended December 31	
	2025	2024
Interest expense on lease liabilities	<u>\$ 2,354</u>	<u>\$ 1,984</u>
Expenses relating to short-term and low-value assets leases	<u>\$ 13,259</u>	<u>\$ 6,040</u>
Total cash outflow for leases	<u>\$ 49,481</u>	<u>\$ 44,732</u>

(9) INTANGIBLE ASSETS

Item	For the Year Ended December 31, 2025			
	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Software and system cost	\$ 60,301	\$ 31,580	\$ (15,426)	\$ 76,455
<u>Accumulated amortization</u>				
Software and system cost	27,285	14,895	(15,426)	26,754
Net	<u>\$ 33,016</u>	<u>\$ 16,685</u>	<u>\$ —</u>	<u>\$ 49,701</u>

For the Year Ended December 31, 2024				
Item	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Software and system cost	\$ 61,360	\$ 7,266	\$ (8,325)	\$ 60,301
<u>Accumulated amortization</u>				
Software and system cost	23,925	11,685	(8,325)	27,285
Net	\$ 37,435	\$ (4,419)	\$ —	\$ 33,016

Details of amortization on intangible assets are as follows :

	For the Year Ended December 31	
	2025	2024
Operating cost	\$ 783	\$ 682
Operating expense	14,112	11,003
Total	\$ 14,895	\$ 11,685

(10) SHORT-TERM BORROWINGS

	December 31, 2025	December 31, 2024
Unsecured borrowings	\$ —	\$ 223,050
Interest rate range	—	1.800%

(11) NOTES PAYABLE AND ACCOUNTS PAYABLE

	December 31, 2025	December 31, 2024
Notes payable	\$ —	\$ 74
Account payable	3,812,503	3,214,709
Payable to related parties	3,945,584	4,494,993
Total	\$ 7,758,087	\$ 7,709,702

(A) The average credit purchase period of payables is 60 to 120 days. The Company has set up its financial risk management policy, so as to ensure that all the payables could be liquidated within the agreed credit period.

(B) For the disclosure of the Company's payables exposing currency and liquidity risks and other payables, please refer to Note 12.

(12) OTHER PAYABLES

	December 31, 2025	December 31, 2024
Machinery and Equipment payable	\$ 462,991	\$ 241,206
Employee Bonus payable	150,135	140,392
Salary and wages payable	156,313	132,537
Annual bonuses payable	1,027,579	1,344,001
Commissions payable	35,554	29,062
Processing payable	200,569	154,195
Maintenance payable	201,014	193,700
Interest payable	3,719	4,923
Compensated absences	90,959	84,069
Freight charge payable	40,137	35,591
Other payable	210,018	200,999
Total	<u>\$ 2,578,988</u>	<u>\$ 2,560,675</u>

(13) PROVISIONS- CURRENT

For the Year Ended December 31, 2025				
	Other	Onerous contracts	Carbon fee	Total
Balance, beginning of the year	\$ 134,447	\$ 40,998	\$ —	\$ 175,445
Recognized (Reversed)	(5,355)	9,489	7,050	11,184
Balance, end of the period	<u>\$ 129,092</u>	<u>\$ 50,487</u>	<u>\$ 7,050</u>	<u>\$ 186,629</u>

For the Year Ended December 31, 2024			
	Other	Onerous contracts	Total
Balance, beginning of the year	\$ 136,428	\$ 1,145	\$ 137,573
Recognized (Reversed)	(1,981)	39,853	37,872
Balance, end of the period	<u>\$ 134,447</u>	<u>\$ 40,998</u>	<u>\$ 175,445</u>

(A) Other liability reserves refer to the estimation and recognized at the accrued expenses with the liability reserve character, when the expense is incurred.

(B) The onerous contract loss reserve refers the loss on onerous contracts recognized due to the fulfillment cost of signed contracts exceeding expected economic effect. The estimation is written off when a contract is fulfilled.

(C) As of December 31, 2025, the Company's voluntary carbon reduction plan had received preliminary approval from the competent authority. Therefore, a provision for carbon fees has been recognized at the standard carbon fee rate and will be reversed when settled.

(D) Given that the aforesaid reserve was prepared for the short run or for discount and the impact was not significant, they were not discounted.

(14) LONG-TERM BORROWINGS

Creditors	Description	No.	December 31, 2025	December 31, 2024	Expiry Date
			Amount	Amount	
Chang Hwa Bank	Unsecured borrowings	1	\$ —	\$ 31,250	05/15/2025
Chang Hwa Bank	"	1	—	50,000	06/15/2025
Mega International Commercial-Bank	"	2	—	18,000	06/15/2025
E. Sun Bank	"	1	—	25,000	06/15/2025
Bank of Taiwan	"	1	—	62,500	06/15/2025
E. Sun Bank	"	1	—	29,166	07/15/2025
Far Eastern International Bank	"	1	—	72,917	07/15/2025
Mega International Commercial-Bank	"	2	—	21,000	07/15/2025
Land Bank of Taiwan	"	1	—	102,082	07/15/2025
Bank of Taiwan	"	1	—	75,000	09/15/2025
Hwa Nan Bank	"	1	93,750	218,750	09/15/2026
Taipei Fubon commercial Bank (Union loan)	"	3	—	2,000,000	08/29/2027
First Bank	"	1	400,000	400,000	07/15/2028
Land Bank of Taiwan	"	1	400,000	400,000	09/15/2028
Taipei Fubon commercial Bank	"	4	300,000	300,000	09/25/2028
Bank of Taiwan	"	1	200,000	200,000	10/15/2028
Bank of Taiwan	"	1	200,000	200,000	09/15/2029
Taipei Fubon commercial Bank	"	4	5,000	—	04/21/2030
E. Sun Bank	"	1	200,000	—	06/15/2030
Chang Hwa Bank	"	1	300,000	—	06/15/2030
Taipei Fubon commercial Bank (Union loan)	"	3	1,000,000	—	09/10/2030
Mega International Commercial-Bank	"	5	300,000	300,000	09/25/2030
KGI Bank	"	6	200,000	200,000	09/25/2030
Export-Import Bank of the Republic of China	"	11	100,000	—	11/25/2030
Far Eastern International Bank	"	7	500,000	500,000	11/29/2030
Bank of Taiwan	"	6	200,000	200,000	12/01/2030
KGI Bank	"	8	400,000	—	01/21/2031
Land Bank of Taiwan	"	9	200,000	200,000	05/20/2031
Taiwan Cooperative Bank	"	10	5,000	5,000	11/15/2031
Taiwan Cooperative Bank	"	10	195,000	—	11/15/2031
Bank of Taiwan	"	6	300,000	—	12/31/2031
Mega International Commercial-Bank	"	5	5,000	—	05/20/2032
Taiwan Cooperative Bank	"	10	100,000	—	06/15/2032
Total			\$ 5,603,750	\$ 5,610,665	
Current			\$ 268,750	\$ 711,915	
Non-current			\$ 5,335,000	\$ 4,898,750	
Rate			1.525%~2.197%	1.325%~2.353%	

(A) For property, plant and equipment pledged as collateral for long-term borrowing, please refer to Note 8.

(B) Explanation:

No.1: Five-year term loan, repayable in 24 installments, interest to be paid monthly.

No.2: Five-year term loan, repayable in 25 installments, interest to be paid monthly.

No.3: Five-year term loan, repayable in 5 installments, interest to be paid monthly.

Also, as agreed, within the loan duration, specific current ratio, debt ratio and times of interest earned shall be maintained in accordance with the yearly consolidated financial statements.

No.4: Five-year term loan, repayable in 4 installments, interest to be paid monthly.

No.5: Seven-year term loan, repayable in 5 installments, interest to be paid monthly.

No.6: Seven-year term loan, repayable in 9 installments, interest to be paid monthly.

No.7: Seven-year term loan, repayable in 4 installments, interest to be paid monthly.

No.8: Six-year term loan, repayable in 7 installments, interest to be paid monthly.

No.9: Seven-year term loan, repayable in 8 installments, interest to be paid monthly.

No.10: Seven -year term loan, repayable in 48 installments, interest to be paid monthly.

No.11: Five-year term loan, repayable in 8 installments, interest to be paid monthly.

(15) RETIRED BENEFIT PLANS

(A) Defined contribution plans

The Company adopted a pension plan according to the Labor Pension Act (the “LPA”), which is a defined contribution plan. Based on the LPA, the Corporation makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages. Accordingly, the Company recognized expenses of \$134,116 thousand and \$124,481 thousand in the parent company only statements of comprehensive income ended December 31, 2025 and 2024, respectively.

(B) Defined benefit plans

(a) The Company adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributed amounts equal to 5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name.

Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Company has no right to influence the investment policy and strategy.

- (b) The amounts recognized in the parent company only balance sheets relating to defined benefit plans are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	\$ (1,590,912)	\$ (1,557,011)
Fair value of plan assets	1,676,180	1,609,548
Net defined benefit assets (liabilities)	\$ 85,268	\$ 52,537

- (c) Movements in the net defined benefit asset were as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit assets
BALANCE, JANUARY 1, 2025	\$ (1,557,011)	\$ 1,609,548	\$ 52,537
Service cost			
Current service cost	(6,413)	—	(6,413)
Interest expense (income)	(24,148)	25,378	1,230
Recognized in profit or loss	(30,561)	25,378	(5,183)
Remeasurement			
Return on plan assets loss (gain)	—	107,338	107,338
Actuarial loss arising from changes in demographic assumptions	(29)	—	(29)
Actuarial (gain) loss arising from changes in financial assumptions	(31,852)	—	(31,852)
Actuarial loss arising from experience adjustments	(82,270)	—	(82,270)
Recognized in other comprehensive income	(114,151)	107,338	(6,813)
Contributions from the employer	—	37,858	37,858
Benefits paid	110,811	(103,942)	6,869
BALANCE, DECEMBER 31, 2025	\$ (1,590,912)	\$ 1,676,180	\$ 85,268
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit assets
BALANCE, JANUARY 1, 2024	\$ (1,522,345)	\$ 1,400,790	\$ (121,555)
Service cost			
Current service cost	(7,175)	—	(7,175)
Interest expense (income)	(17,919)	17,117	(802)
Recognized in profit or loss	(25,094)	17,117	(7,977)
Remeasurement			
Return on plan assets loss (gain)	—	123,390	123,390
Actuarial loss arising from changes in demographic assumptions	(62)	—	(62)
Actuarial (gain) loss arising from changes in financial assumptions	(12,801)	—	(12,801)
Actuarial loss arising from experience adjustments	(71,575)	—	(71,575)
Recognized in other comprehensive income	(84,438)	123,390	38,952
Contributions from the employer	—	143,117	143,117
Benefits paid	74,866	(74,866)	—
BALANCE, DECEMBER 31, 2024	\$ (1,557,011)	\$ 1,609,548	\$ 52,537

- (d) The fair value of the plan assets by major categories at the end of reporting period were as follows:

	December 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 1,676,180	\$ 1,609,548

- (e) The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions of the actuarial valuation were as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.35%	1.60%
Future salary rate increase	2.00%	2.00%

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- a. Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.
- b. Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.
Assuming a hypothetical decrease in interest rate at the end of the reporting period contributed to a decrease of 0.25% in the discount rate and all other assumptions were held constant, the present value of the defined benefit obligation would increase by \$32,866 thousand and \$33,219 thousand as of December 31, 2025 and 2024, respectively.
- c. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation. Assuming the expected salary rate increases by 0.25% at the end of the reporting period and all other assumptions were held constant, the present value of the defined benefit obligation would increase by \$32,572 thousand and \$33,004 thousand as of December 31, 2025 and 2024, respectively.

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation assets and liabilities recognized in the parent company only balance sheets.

- (h) The Company expects to make contributions of \$0 thousand to the defined benefit plans in the next year starting from December 31, 2025. The weighted average duration of the defined benefit obligation is 8 years.

(16) EQUITY

(A) Capital stock

	December 31, 2025	December 31, 2024
Numbers of shares authorized	\$ 16,000,000	\$ 16,000,000
Shares issued	\$ 11,918,206	\$ 11,918,206

- (a) The capital stock represents common stock with 10 dollars par value, and carry one vote per share and the right to dividends.
- (b) The Company's authorized capital was \$16,000,000 thousand by Ministry of Economic Affairs, including 100,000 thousand shares reserved for the conversion of employee's stock warrants and 308,179 thousand shares of convertible bonds payable, which have not been issued.

(B) Capital surplus

	December 31, 2025	December 31, 2024
Convertible bonds	\$ 935,127	\$ 935,127
Accrued interest-premium of convertible bonds	30,609	30,609
Other	94,490	94,490
Total	\$ 1,060,226	\$ 1,060,226

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

(C) Retained earnings

(a) The Company's articles of incorporation are as follows:

After the annual accounting settlement, if the Company has any earnings left, it shall first use the earnings to cover losses by law, followed by setting aside 10% of the remaining earnings as the legal surplus reserve. However, it is not limited to the circumstance where the legal surplus reserve has already reached the paid-up capital. Then, after setting aside the legal surplus reserve as required by law or competent authorities or reversing the special surplus reserve, the balance becomes the distributable earnings of the prevailing year. The distributable earnings of the prevailing year along with the undistributed earnings accumulated in the beginning of the same period are the earnings available for distribution, which shall be distributed in accordance with the principle below:

- a. Given that The Company is in the technology industry and by considering the needs for reinforcing its corporate financial structure, fostering its operating earnings and expanding its business scale, it plans to adopt the residual dividend policy to strength its growth and sustainable operation.
 - b. Pursuant to the factors in the current and future investment environment, capital requirements, profitability, local and foreign competition status, and capital budgeting, the Board of Directors of The Company plans to draft an earnings distribution proposal. If the Board proposes a cash distribution, the decision shall be approved by at least two-thirds of the directors in attendance and by a majority of those present. The Board may distribute all or part of the dividends and bonuses in cash and shall report to the shareholders' meeting. If no distribution is made or if new shares are to be issued instead, the decision shall be made by the shareholders' meeting. When distributing earnings, the earnings to be distributed shall come from those that are available for distribution, and, in principle, the contribution amount shall be no lower than 10% of the distributable earnings of the prevailing year.
 - c. The Company may distribute its earnings by cash or stock, in which, in principle, the ratio of cash dividend shall not be lower than 50% of the total dividend amount.
- (b) The Company has separately set up its employee remuneration distribution policy in its articles of incorporation. The information about the employee and director's compensation, please refer to Note 6(24).
- (c) Pursuant to the R.O.C. Company Act, effective January 2012, the appropriation for legal capital reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.

- (d) Pursuant to existing regulations, The Company is required to set aside additional special reserve equivalent to the net debit balance of the other components of shareholders' equity items (including exchange differences on translating foreign operations, unrealized gain on available-for-sale financial assets, and the gain or loss on the hedging instrument relating to the effective portion of a cash flow hedge). For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.
- (e) The Company appropriations of earnings for 2025 had been proposed in the meeting of Board of Directors held on March 5, 2026. The appropriations and dividends per share were as follow:

	Appropriation of Earnings	Dividends per Share (NT\$)
Legal reserve	\$ 656,142	
Cash dividends	3,337,098	\$ 2.80
Total	\$ 3,993,240	

The appropriations of earnings for 2025 is to be presented for approval in the Company's shareholders' meeting to be held on May 28, 2026 (expected).

- (f) The Company's proposals for appropriation of earnings for 2024 and 2023 were approved at the annual general meetings of shareholders held on May 29, 2025 and May 30, 2024, respectively. The actual distribution of employees' compensation and directors' remuneration was consistent with the proposals approved by the Board of Directors. Details of the appropriations of earnings and dividends per share are as follows:

	For Fiscal Year 2024		For Fiscal Year 2023	
	Appropriation of Earnings	Dividends per Share (NT\$)	Appropriation of Earnings	Dividends per Share (NT\$)
Legal reserve	\$ 563,026		\$ 413,827	
Special reserve (reversal)	(340,217)		327,758	
Cash dividends	2,860,369	\$ 2.40	1,787,731	\$ 1.50
Total	\$ 3,083,178		\$ 2,529,316	

Information relating to the above appropriation of earnings is available on the Market Observation Post System (MOPS) of the Taiwan Stock Exchange (TWSE) and other publicly available sources.

(D) Other equity items

	For the Year Ended December 31, 2025		
	Exchange differences on translation of foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total
Balance, beginning of year	\$ 1,049,838	\$ (16,027)	\$ 1,033,811
Exchange differences on translation of foreign operations	(389,048)	—	(389,048)
Unrealized gain (loss) on financial assets at FVTOCI	—	13,586	13,586
Share of other comprehensive gain (loss) of subsidiaries	—	(9,849)	(9,849)
Exchange differences on translation of foreign operations income tax	77,809	—	77,809
Balance, end of year	\$ 738,599	\$ (12,290)	\$ 726,309

	For the Year Ended December 31, 2024		
	Exchange differences on translation of foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total
Balance, beginning of year	\$ (326,068)	\$ (14,149)	\$ (340,217)
Exchange differences on translation of foreign operations	1,719,883	—	1,719,883
Share of other comprehensive gain (loss) of subsidiaries	—	(1,878)	(1,878)
Exchange differences on translation of foreign operations income tax	(343,977)	—	(343,977)
Balance, end of year	\$ 1,049,838	\$ (16,027)	\$ 1,033,811

(17) EARNINGS PER SHARE

	For the Year Ended December 31	
	2025	2024
Basic EPS	\$ 5.51	\$ 4.70
Diluted EPS	\$ 5.49	\$ 4.69

EPS is computed as follows:

(A) Basic earnings per share

	For the Year Ended December 31	
	2025	2024
Net income for the period attributable to owners of the Company	\$ 6,566,868	\$ 5,599,096
Weighted average number of ordinary shares outstanding (in thousand shares)	1,191,821	1,191,821
Basic EPS	\$ 5.51	\$ 4.70

(B) Diluted earnings per share

	For the Year Ended December 31	
	2025	2024
Net income for the period attributable to owners of the Company	\$ 6,566,868	\$ 5,599,096
Weighted average number of ordinary shares outstanding (in thousand shares)	1,191,821	1,191,821
Assumed conversion of all dilutive potential ordinary shares		
Employees' remuneration (in thousand shares)	3,682	3,299
Weighted average number of dilutive ordinary shares outstanding (in thousand shares)	1,195,503	1,195,120
Diluted EPS	\$ 5.49	\$ 4.69

(18) OPERATING REVENUES

The analysis of the Company operating revenues was as follows:

	For the Year Ended December 31	
	2025	2024
Taiwan	\$ 1,069,453	\$ 1,706,901
United States	11,547,108	9,220,483
Asia	24,693,307	26,577,850
Europe	36,138	30,559
Other	265,694	177,830
Total	\$ 37,611,700	\$ 37,713,623

(19) OTHER INCOME

	For the Year Ended December 31	
	2025	2024
Rent income	\$ 229	\$ 229
Premium income	11,857	12,147
Other income, other	145,261	214,075
Total	<u>\$ 157,347</u>	<u>\$ 226,451</u>

(20) OTHER GAINS AND LOSSES

	For the Year Ended December 31	
	2025	2024
Loss on disposal and write-off of property, plant and equipment	\$ (15,018)	\$ (6,122)
Foreign exchange gains (losses)	(462,698)	503,916
Net (gain) loss on financial assets and liabilities at fair value through profit or losses	80	—
Onerous contracts gains (losses)	(9,489)	(39,853)
Miscellaneous disbursements	(96,755)	(115,419)
Total	<u>\$ (583,880)</u>	<u>\$ 342,522</u>

(21) FINANCE COSTS

	For the Year Ended December 31	
	2025	2024
Interest expense	\$ 114,180	\$ 103,678
Interest on lease liabilities	2,354	1,984
Less: interest capitalized	(5,227)	(1,281)
Total	<u>\$ 111,307</u>	<u>\$ 104,381</u>
Capitalization rates	<u>1.853%~1.973%</u>	<u>1.747%~1.924%</u>

(22) SHARE OF PROFIT OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	For the Year Ended December 31	
	2025	2024
Share of profit of subsidiaries	<u>\$ 4,230,984</u>	<u>\$ 1,486,409</u>

(23) INCOME TAX

(A) Income tax recognized in profit or loss

(a) Income tax expense consisted of the following:

	For the Year Ended December 31	
	2025	2024
Current income tax expense		
Current tax expense recognized in the current year	\$ 906,551	\$ 1,040,216
Additional income tax on undistributed earnings	127,354	80,448
Adjustments for prior year's income tax	(40,372)	(49,170)
Income tax credits	(31,499)	(34,919)
	962,034	1,036,575
Deferred income tax expense (benefit)		
The origination and reversal of temporary difference	(233,889)	190,911
Income tax expense recognized in profit or loss	\$ 728,145	\$ 1,227,486

(b) A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	For the Year Ended December 31	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	\$ 1,459,003	\$ 1,365,316
Tax effect of adjusting items:		
Nondeductible (deductible items in determining taxable income)	(722,312)	(325,100)
Additional income tax on undistributed earnings	127,354	80,448
The origination and reversal of temporary difference	(233,889)	190,911
Adjustments for prior year's income tax	129,765	(49,170)
Income tax credits	(31,776)	(34,919)
Income tax expense recognized in profit or loss	\$ 728,145	\$ 1,227,486

(B) Current tax assets and liabilities

	December 31, 2025	December 31, 2024
Current tax assets		
Tax refund receivable	\$ 30,025	\$ 10,024
Current tax liabilities		
Income tax payable	\$ 966,522	\$ 725,392

(C) Income tax expense (benefit) recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
<u>Deferred tax expenses (income)</u>		
Current year		
Exchange differences on translation of foreign operations	\$ (77,809)	\$ 343,977
Remeasurement of defined benefit obligation	(1,362)	7,790
Income tax expense (benefit) recognized in the components of other comprehensive income	\$ (79,171)	\$ 351,767

(D) Deferred income tax balance

(a) The analysis of deferred income tax in the parent company only balance sheets was as follows:

	For the Year Ended December 31, 2025			
	Balance, Beginning of year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of year
Temporary difference				
Accounts receivable	\$ 180,576	\$ 103,943	\$ —	\$ 284,519
Inventories	139,273	18,747	—	158,020
Other	80,742	(19,411)	1,362	62,693
Deferred tax assets	\$ 400,591	\$ 103,279	\$ 1,362	\$ 505,232
Temporary difference				
Investment accounted for using the equity method	\$ 4,143,056	\$ (114,093)	\$ —	\$ 4,028,963
Exchange differences on translation of foreign operations	262,460	—	(77,809)	184,651
Other	22,872	(16,517)	—	6,355
Deferred tax liabilities	\$ 4,428,388	\$ (130,610)	\$ (77,809)	\$ 4,219,969

For the Year Ended December 31, 2024

	Balance, Beginning of year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of year
Temporary difference				
Accounts receivable	\$ 88,613	\$ 91,963	\$ —	\$ 180,576
Inventories	128,577	10,696	—	139,273
Exchange differences on translation of foreign operations	81,517	—	(81,517)	—
Other	119,429	(30,897)	(7,790)	80,742
Deferred tax assets	<u>\$ 418,136</u>	<u>\$ 71,762</u>	<u>\$ (89,307)</u>	<u>\$ 400,591</u>
Temporary difference				
Investment accounted for using the equity method	\$ 3,897,532	\$ 245,524	\$ —	\$ 4,143,056
Exchange differences on translation of foreign operations	—	—	262,460	262,460
Other	5,723	17,149	—	22,872
Deferred tax liabilities	<u>\$ 3,903,255</u>	<u>\$ 262,673</u>	<u>\$ 262,460</u>	<u>\$ 4,428,388</u>

(b) Items for which no deferred tax assets have been recognized

	December 31, 2025	December 31, 2024
Deductible temporary differences	<u>\$ 44,722</u>	<u>\$ 44,722</u>

(c) The reduction in income tax expenses of the year about the laws and decrees, items, income tax credits and expiry date of unused income tax credits were as follows:
None.

(E) Income tax assessments

The Company's income tax returns through 2023 have been assessed by the tax authorities.

(F) The information of unrecognized deferred income tax liabilities associated with investments

As of December 31, 2025 and 2024, the aggregate taxable temporary differences associated with investments in subsidiaries not recognized as deferred income tax liabilities were \$1,205,768 thousand and \$419,508 thousand, respectively.

(24) THE PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES OF THE COMPANY

	For the Year Ended December 31, 2025			For the Year Ended December 31, 2024		
	Classified as operating cost	Classified as operating expenses	Total	Classified as operating cost	Classified as operating expenses	Total
Personnel expenses	\$4,251,582	\$1,093,777	\$5,345,359	\$4,112,396	\$1,104,111	\$5,216,507
Direct labor	1,970,471	—	1,970,471	1,692,579	—	1,692,579
Payroll expense	1,512,942	917,094	2,430,036	1,705,818	931,668	2,637,486
Insurance expense	319,625	72,186	391,811	309,631	76,548	386,179
Pension	102,182	37,117	139,299	99,106	33,352	132,458
Board compensation	—	17,000	17,000	—	16,375	16,375
Others	346,362	50,380	396,742	305,262	46,168	351,430
Depreciation	1,298,763	26,526	1,325,289	1,367,504	31,466	1,398,970
Amortization	1,118	14,112	15,230	1,726	11,003	12,729

(A) As of December 31, 2025 and 2024, the Company had 5,390 and 4,734 employees, respectively. There were both 6 non-employee directors.

(B) The Company's average employee benefit expense for the year ended December 31, 2025 and 2024 were \$990 thousand and \$1,100 thousand, respectively. The Company's average salary expense for the year ended December 31, 2025 and 2024 were \$817 thousand and \$916 thousand, respectively. The Company's average salary expense adjustment for the year ended December 31, 2025 increased by (10.76%).

(C) The Company has established the Audit Committee in replace of supervisors and therefore the supervisors' remuneration for the year ended December 31, 2025 and 2024 were both nil.

(D) The Company's compensation policies—directors, managers and employees :

(a) The compensation of directors shall be paid in accordance with the resolution of the board of directors for each attendance of the board of directors. The directors and independent directors shall receive fixed compensation. It is reviewed by the Compensation Committee then submitted to the board of directors for approval.

(b) The compensation of employees shall be handled in accordance with the company's "salary payment method, bonus/allowance payment method, attendance management method, performance management method, indirect employee salary assessment method", and the salary shall be determined according to their position, seniority, job title and professional ability 、 Year-end bonuses and profit sharing bonus to employees shall be determined to the company's actual operating conditions and employees' personal work performance.

- (c) The compensation paid to managers is linked to the company's operating performance. The compensation is reviewed by the Compensation Committee then submitted to the board of directors for approval.
- (E) According to the articles of the Company, if the Company has any profit in its comprehensive income statement of the prevailing year, 2% of the aforesaid profit shall be contributed for the employee compensation. The aforesaid profit refers to the benefit earned before deducting employee compensation from before-tax net profit. However, in case that the Company has any accumulated loss, it shall reserve an amount to cover the loss before contributing the amount for employee compensation according to the aforesaid ratio.

The preceding employee compensation can be distributed by either stock or cash, which shall be adopted by a majority of the directors of the Company present at the meeting attended by more than two-thirds of the entire body of directors and reported to the board of shareholders before implementation.

- (F) The Company accrued employees' compensation for 2025 and 2024 at 2% of profit before tax, net of employees' compensation and directors' remuneration, as follows:

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Employees compensation	\$ 148,878	\$ 139,318

Directors' remuneration is recognized as an expense based on the estimated amount payable. Any subsequent change in the proposed amount after the parent company only financial statements are authorized for issue is accounted for as a change in accounting estimate and is recognized in profit or loss in the following year.

- (G) The Company estimated employees' compensation for 2024 and 2023 at 2% of profit. The related proposals were approved by the Board of Directors on March 6, 2025 and March 9, 2024, respectively, as follows:

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Employees compensation	\$ 139,318	\$ 107,349

Directors' remuneration is recognized as an expense based on the estimated amount payable. Any subsequent change in the proposed amount after the parent company only financial statements are authorized for issue is accounted for as a change in accounting estimate and is recognized in profit or loss in the following year.

There was no difference between the amounts of employees' compensation approved by the Board of Directors and the amounts recognized in the Company's parent company only financial statements for the years ended December 31, 2024 and 2023.

(H) The information about the appropriations of the Company's profit sharing bonus to employees and compensation to directors is available at the Market Observation Post System website.

(25) CASH FLOW INFORMATION

(A) Non-cash transactions

	For the Year Ended December 31	
	2025	2024
Increase in property, plant and equipment	\$ 1,337,477	\$ 648,686
Changes in Machinery and Equipment payable	(221,785)	(74,089)
Payments for acquisition of property, plant and equipment	\$ 1,115,692	\$ 574,597

(B) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (Current portion of long-term borrowings)	Lease liabilities	Liabilities from financing activities-gross
January 1, 2025	\$ 223,050	\$ 5,610,665	\$ 115,291	\$ 5,949,006
Changes in cash flow from financing activities	(223,050)	(6,915)	(33,868)	(263,833)
Changes in Other non-cash items	—	—	35,320	35,320
December 31, 2025	\$ —	\$ 5,603,750	\$ 116,743	\$ 5,720,493
	Short-term borrowings	Long-term borrowings (Current portion of long-term borrowings)	Lease liabilities	Liabilities from financing activities-gross
January 1, 2024	\$ —	\$ 5,408,916	\$ 131,139	\$ 5,540,055
Changes in cash flow from financing activities	223,050	201,749	(36,708)	388,091
Changes in Other non-cash items	—	—	20,860	20,860
December 31, 2024	\$ 223,050	\$ 5,610,665	\$ 115,291	\$ 5,949,006

7. RELATED PARTY TRANSACTIONS

(1) Related party name and categories:

Related Party Name	Related Party Categories
Huaton Holdings Limited (HHL)	Subsidiary
Pelican Cove Investment Ltd. (PCI)	Subsidiary
COMPEQ (Thailand) Co., Ltd.	Subsidiary
Compeq Manufacturing (Huizhou) Co., Ltd. (CC)	HHL's subsidiary
Compeq Technology (Huizhou) Co., Ltd. (CF)	HHL's subsidiary
Compeq Manufacturing (Chongqing) Co., Ltd. (CQ)	HHL's subsidiary
Compeq Manufacturing (Suzhou) Co., Ltd. (CS)	CF's subsidiary
Hong Kong Compeq Huizhou Trading Company Limited (CHK)	CF's subsidiary
Directors, supervisors, general managers, vice general managers across the board	The Company's major management executives

(2) The significant transactions between the Company and its related parties, other than those disclosed in other notes, are summarized as follows:

(A) Purchases

	For the Year Ended December 31	
	2025	2024
Subsidiaries	\$ 15,157,956	\$ 15,252,338

(a) The purchase prices were similar to those prices from other suppliers.

(b) The price of semi-finished products sold to the companies outside mainland China is determined according to the price agreed by both buyer and seller.

(B) Accounts payables

	December 31, 2025	December 31, 2024
Subsidiaries	\$ 3,945,584	\$ 4,494,993

The payment terms were similar to those terms of other suppliers.

(C) Net revenue

	For the Years Ended December 31	
	2025	2024
Subsidiaries	\$ 171,628	\$ 167,796

The selling prices were based on the mutual agreement.

(D) Accounts receivable

	December 31, 2025	December 31, 2024
Subsidiaries	\$ 91,225	\$ 275,319

The collection terms were similar to those terms to other customers.

(E) Other receivables

	December 31, 2025	December 31, 2024
Subsidiaries	\$ 4,311,005	\$ 4,100,987

The other receivables were loans to related parties, compensation income, income from patent authorization and technical use and advance payment. As of December 31, 2025 and 2024, the loans to related parties were \$4,117,330 thousand and \$3,934,200 thousand, respectively.

(F) Other payables

	December 31, 2025	December 31, 2024
Subsidiaries	\$ —	\$ 9,114

The other payables were the purchase of equipment.

(G) Receipts in advances

	December 31, 2025	December 31, 2024
Subsidiaries	\$ 914	\$ 1,371

(H) Disposal of property, plant and equipment

	For the Year Ended December 31			
	2025		2024	
	Disposal amount	Disposal gains (losses)	Disposal amount	Disposal gains (losses)
Subsidiaries	\$ 108,624	\$ 5,631	\$ 26,622	\$ 3,981

The selling prices were based on the mutual agreement.

(I) Interest income

	For the Year Ended December 31	
	2025	2024
Subsidiaries	\$ 199,421	\$ 131,558

Interest income were refer to the interest from loans to related parties, of which the payment is made according to the terms of both parties' cooperation contract.

(J) Other income

	For the Year Ended December 31	
	2025	2024
Subsidiaries	\$ 72,021	\$ 109,844

Other revenues mainly refer to the income from patent authorization and technical use, advance payments and compensation, of which the payment is made according to the terms of both parties' cooperation contract.

(K) Miscellaneous disbursements

	For the Year Ended December 31	
	2025	2024
Subsidiaries	\$ 10,552	\$ 9,998

Primarily loss on indemnity.

(L) Guaranties on the bank credit

Limits on Endorsement/Guarantee amount as follows:

	December 31, 2025	December 31, 2024
Subsidiaries	\$ 10,114,174 (US\$ 321,800 thousand)	\$ 8,419,189 (US\$ 256,800 thousand)

(M) The Company goes to the material processing to CC, CF and CQ were through PCI and CHK, the related income and cost were reversed in the statement of income.

(N) Compensation of key management personnel

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	\$ 113,780	\$ 70,679
Post-employment benefits	6,868	—
Total	\$ 120,648	\$ 70,679

The compensation to directors and other key management personnel were determined by the Compensation Committee of the Company in accordance with the individual performance and the market trends.

8. PLEDGED ASSETS

Items	Purpose	Book Value	
		December 31, 2025	December 31, 2024
Restricted time deposits (shown as other current financial assets)	Performance bond	\$ 10,477	\$ 10,319
Property, plant and equipment	Borrowing facility	723,901	750,266

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS.

(1) The balance of the Company's LC

	December 31, 2025		December 31, 2024	
The balance of the Company's LC amounts	NTD	26,460 thousand	NTD	59,388 thousand
	USD	47 thousand	USD	56 thousand
	JPY	48,928 thousand	JPY	5,400 thousand
	EUR	44 thousand	EUR	— thousand

(2) Unrecognized capital expenditure of the contracts has been signed for the purchase of equipment were as follows:

	December 31, 2025		December 31, 2024	
Payable on equipment	NTD	406,665 thousand	NTD	250,507 thousand

(3) Guarantee repayment to the financial institution for the amount of the borrowings were as follows:

	December 31, 2025		December 31, 2024	
HHL	US\$	3,500 thousand	US\$	3,500 thousand
PCI	US\$	98,000 thousand	US\$	98,000 thousand
CK	US\$	60,300 thousand	US\$	10,300 thousand
CS	US\$	5,000 thousand	US\$	5,000 thousand
CF	US\$	75,000 thousand	US\$	60,000 thousand
CQ	US\$	80,000 thousand	US\$	80,000 thousand

10. SIGNIFICANT DISASTER LOSSES: None.

11. SUBSEQUENT EVENTS: None.

12. OTHER

(1) CAPITAL MANAGEMENT

The Company plans its working capital (including R&D expenses and debt liquidation, etc.) required for the future in accordance with the characteristics currently existing in its industry and its future development status while it also considers the changes in the external environment, so as to ensure its sustainable operations. In so doing, the Company will be able to concurrently protect the interests of its shareholders and other related parties, maintain the optimal capital structure, and elevate the stockholder value. As a whole, the Company adopts a prudent risk management strategy.

(2) FINANCIAL INSTRUMENTS

(A) Categories of financial instruments

	December 31, 2025		December 31, 2024	
	Book value	Fair value	Book value	Fair value
<u>Financial assets</u>				
Amortized cost				
Cash and cash equivalents	\$ 4,632,485	\$ 4,632,485	\$ 5,389,028	\$ 5,389,028
Notes and accounts receivables	8,550,170	8,550,170	8,629,013	8,629,013
Other receivables	4,409,501	4,409,501	4,179,852	4,179,852
Other current financial assets	3,020,717	3,020,717	3,680,319	3,680,319
Refundable deposits (including current)	48,849	48,849	52,095	52,095
Total	<u>\$ 20,661,722</u>	<u>\$ 20,661,722</u>	<u>\$ 21,930,307</u>	<u>\$ 21,930,307</u>
<u>Financial liabilities</u>				
Amortized cost				
Short-term borrowings	\$ —	\$ —	\$ 223,050	\$ 223,050
Notes and accounts payables	7,758,087	7,758,087	7,709,776	7,709,776
Other payables	2,578,988	2,578,988	2,560,675	2,560,675
Long-term borrowings (including current portion)	5,603,750	5,603,750	5,610,665	5,610,665
Guarantee deposits (including current)	44,810	44,810	41,566	41,566
Total	<u>\$ 15,985,635</u>	<u>\$ 15,985,635</u>	<u>\$ 16,145,732</u>	<u>\$ 16,145,732</u>

(B) Financial risk management objectives

The currency risk, interest rate risk, credit risk and liquidity risk related to management and operation activities are the target of the Company's financial risk management. The Company has devoted its efforts to recognizing, assessing and hedging market uncertainty in an attempt to reduce the potential adverse influence of market change on the Company's financial performance.

The Company's major financial activities have all been re-checked by its board of directors in accordance with the related regulations and internal control system. During the financial plan execution period, the Company has to strictly follow the financial operation procedures related to overall financial risk management and accrual basis.

(C) Market risk

The Company is exposed to the market risks arising from changes in foreign exchange rates, interest rates and the prices in equity investments, and utilizes some derivative financial instruments to reduce the related risks.

(a) Foreign currency risk

Most of the Company's operating activities and investment in foreign are denominated in foreign currencies. Consequently, the Company is exposed to foreign currency risk. To protect against reductions in value and the volatility of future cash flows caused by changes in foreign exchange rates, the Company utilizes derivative short-term borrowing and financial instruments, including currency forward contracts and cross currency swaps, to hedge its currency exposure. These instruments help to reduce, but do not eliminate, the impact of foreign currency exchange rate movements.

The maturity of the derivative financial instruments engaged by the Company is all less than six months, which does not meet the terms for accounting hedge.

For the sensitivity analysis of the foreign currency risk, the calculation is made according to the foreign currency items listed at the financial reporting closing date. When the NT dollar appreciates or depreciates 1% against a foreign currency, the Company's net profit or loss in 2025 and 2024 will increase or decrease by \$77,723 thousand and \$86,417 thousand, respectively.

(b) Interest rate risk

Interest rate risk refers the risk caused by the change in the fair value of financial instruments as a result of change of the market interest rate. The Company's interest rate risk mainly comes from its mid-and long-term loans and the floating of the interest rates for the income investments with a fixed or floating interest rate

Regarding the sensitivity analysis of the interest rate risk, the calculation is made according to the amount of the bank loan and the floating interest rate at the final day of the financial report period, and a quarter's effect is assumed to be held. If the interest rate increased or decreased by 1%, the Company's profit or loss as of December 31, 2025 and December 31, 2024 would increase or decrease \$12 thousand and \$8 thousand, respectively.

(c) Other price risk

The Company's equity securities, which are expose to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.

The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, Other components of equity would have increased/decreased by \$1,214 thousand, as a result of other comprehensive income classified equity investment at fair value through other comprehensive income.

(D) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from operating activities, primarily trade receivables, and from financing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures.

(a) Business related credit risk

In order to maintain its quality of accounts receivable, the Company has set up its operation related credit risk management procedure.

The individual customer risk assessment covers the factors of an individual customer's financial status and credit rating agency's ratings, the Company's internal credit ratings and historical transaction records and current economic status, etc. which may affect customer's solvency capacity. In addition, the Company will also use some credit enhancement instruments, such as purchase prepayment and credit insurance, etc., at an appropriate time to reduce the credit risk of some specific customers.

As of December 31, 2025 and 2024, the Company's ten largest customers accounted for 72% and 78% of notes and accounts receivable, respectively. The Company believes the concentration of credit risk is insignificant for the remaining accounts receivable.

(b) Financial credit risk

The credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the Company's financial department. The Company's transaction counterparts and contract performance parties are the financial institutions with good credit, and the Company has diversified its risk by dealing with multiple financial institutions, so there shall be no significant credit risk caused by too much concentration on some financial institutions and no significant doubt about contract performance. As such, the Company shall have no material credit risk.

(E) Liquidity risk management

The purpose of the Company's management of liquidity risk is to maintain the cash and cash equivalents, high liquidity securities and enough bank financing facilities required for business operations, so as to ensure sufficiency of the Company's financial flexibility.

(a) The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including principles and interests.

December 31, 2025					
	Less Than 1 year	2-3 year	4-5 year	Over 6 years	Total
<u>Non-derivative financial liabilities</u>					
Notes and accounts payable	\$ 7,758,087	\$ —	\$ —	\$ —	\$ 7,758,087
Other payable	2,578,988	—	—	—	2,578,988
Lease liabilities	29,533	36,085	20,025	34,300	119,943
Long-term borrowings	370,062	1,978,363	2,982,505	652,715	5,983,645
Guarantee deposits	44,810	—	—	—	44,810
Total	\$ 10,781,480	\$ 2,014,448	\$ 3,002,530	\$ 687,015	\$ 16,485,473
December 31, 2024					
	Less Than 1 year	2-3 year	4-5 year	Over 6 years	Total
<u>Non-derivative financial liabilities</u>					
Short-term borrowings	\$ 223,722	\$ —	\$ —	\$ —	\$ 223,722
Notes and accounts payable	7,709,776	—	—	—	7,709,776
Other payable	2,560,675	—	—	—	2,560,675
Lease liabilities	28,875	31,301	19,511	43,140	122,827
Long-term borrowings	813,221	2,966,817	1,069,903	1,088,079	5,938,020
Guarantee deposits	41,566	—	—	—	41,566
Total	\$ 11,377,835	\$ 2,998,118	\$ 1,089,414	\$ 1,131,219	\$ 16,596,586

(b) Bank credit limit

	December 31, 2025	December 31, 2024
Secured bank general credit limit		
Total	\$ 1,200,000	\$ 1,200,000
Unsecured bank general credit limit		
Total	\$ 13,706,710	\$ 13,395,680

(3) FAIR VALUE OF FINANCIAL INSTRUMENTS

A. Fair value of financial instruments carried at amortized cost

Except as detailed in the following table, the Company considers that the carrying amounts of financial assets and financial liabilities carried at amortized cost recognized in the parent company only financial statements approximate their fair values.

B. Valuation techniques and assumptions used in fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

- a. The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes interest rate futures contracts, publicly traded stocks, money market funds, government bonds, agency bonds and corporate bonds).
- b. Forward exchange contracts are measured using quoted forward exchange rates.
- c. The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

C. Fair value measurements recognized in the parent company only balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- a. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; active market refers to the market meeting the terms below: the products traded in the market are in homogeneity; buyers and sellers with trading intention are available in the market and the price information is open to the public.
- b. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- c. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

D. Financial assets and liabilities measured at fair value on a recurring basis

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring basis:

- a. For assets and liabilities held as of December 31, 2025 and 2024 that are measured at fair value on a recurring basis, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

b. There were no purchases and disposals for assets on Level 3 for the years ended December 31, 2025 and 2024.

E. Financial assets and liabilities measured at fair value on a recurring basis

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring basis:

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through other comprehensive income</u>				
Non-Publicly traded stocks	\$ —	\$ —	\$ 121,410	\$ 121,410

F. Reconciliation of Level 3 fair value measurements of financial assets

	For the Year Ended December 31
	2025
Balance, beginning of year	\$ —
Additions	107,824
Recognized in other comprehensive income or loss	13,586
Balance, end of year	\$ 121,410

G. The Company valuation process for the fair value measurement with in the third-level was conducted by the Company department for independent fair value verification of financial instruments. Using independent data to bring evaluation results closer to market conditions, and regularly update the input values required by the evaluation model and any adjustments should be made in order to ensure the rationality of the valuation presented.

H. Level 3 fair value measurement is based on the market approach values. The Company takes great caution in the selection of valuation models and valuation parameters for the key, non-observable values. Therefore, the measurement of fair values should be reasonable. The use of different valuation models or valuation parameters may result in different numbers. For example, If the evaluation parameter's share price net multiplier increases, the market liquidity discount decreases, and the weighted average capital cost discount rate decreases, the fair value of the investment will be increased.

I. There were no disposals for assets on Level 3 for the years ended December 31, 2025.

(4) SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

A. The following information was summarized according to the foreign currencies other than the functional currency of the Company. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2025				
		Foreign currencies (In thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>				
Monetary items				
USD	\$	458,330	31.43	\$ 14,405,306
JPY		529,430	0.2008	106,310
CNY		1,556	4.496	6,998

Financial liabilities

Monetary items				
USD		213,578	31.43	6,712,742
JPY		103,654	0.2008	20,814
CNY		2,424	4.496	10,900
EUR		44	36.90	1,624

December 31, 2024				
		Foreign currencies (In thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>				
Monetary items				
USD	\$	453,679	32.785	\$ 14,873,875
JPY		934,973	0.2099	196,251
CNY		139,102	4.478	622,901

Financial liabilities

Monetary items				
USD		207,248	32.785	6,794,641
JPY		110,580	0.2099	23,211
CNY		52,090	4.478	233,258

B. Since the Company has numerous categories of foreign currency transactions, there is no way for it to disclose the details according to respective major currencies. As such, the information on exchange gain or loss of currency items is disclosed in a way of summarization. For the Company's exchange gains and losses, the realized loss was \$477,849 thousand and unrealized gain was \$15,151 thousand in 2025, respectively, whereas the realized gain was \$432,543 thousand and unrealized gain was \$71,373 thousand in 2024, respectively.

13. ADDITIONAL DISCLOSURES

(1) Information on significant transactions:

- A. Financing provided to others: Please refer to Table 1 attached;
- B. Endorsements/guarantees provided: Please refer to Table 2 attached;
- C. Marketable securities held (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3 attached;
- D. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please refer to Table 4 attached;
- E. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please refer to Table 5 attached;

(2) Information on investees: Please refer to Table 6 attached.

(3) Information on investment in Mainland China:

- A. The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Please refer to Table 7 attached.
- B. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: Please refer to Table 1 to Table 5.

TABLE 1

FINANCING PROVIDED

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

No. (Note 1)	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 2)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Financing Company's Total Financing Amount Limits (Note 3)
													Item	Value		
0	Compeq Manufacturing Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	Other receivables	Yes	\$ 3,143,000 US\$ 100,000	\$ 1,571,500 US\$ 50,000	None	—	2	—	Operating capital and Repayments of bank borrowings	—	—	—	\$ 19,145,068	\$ 19,145,068
0	Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Suzhou) Co., Ltd.	Other receivables	Yes	\$ 628,600 US\$ 20,000	\$ 628,600 US\$ 20,000	None	—	2	—	Operating capital and Repayments of bank borrowings	—	—	—	\$ 19,145,068	\$ 19,145,068
0	Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Huizhou) Co., Ltd.	Other receivables	Yes	\$ 628,600 US\$ 20,000	\$ — US\$ —	None	—	2	—	Operating capital and Repayments of bank borrowings	—	—	—	\$ 19,145,068	\$ 19,145,068
0	Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Chongqing) Co., Ltd.	Other receivables	Yes	\$ 942,900 US\$ 30,000	\$ — US\$ —	None	—	2	—	Operating capital and Repayments of bank borrowings	—	—	—	\$ 19,145,068	\$ 19,145,068
0	Compeq Manufacturing Co., Ltd.	COMPEQ (Thailand) Co., Ltd.	Other receivables	Yes	\$ 7,071,750 US\$ 225,000	\$ 7,071,750 US\$ 225,000	\$ 4,117,330 US\$ 131,000	3.901%~ 4.390%	2	—	Operating capital and Repayments of bank borrowings	—	—	—	\$ 19,145,068	\$ 19,145,068
0	Compeq Manufacturing Co., Ltd.	COMPEQ Technology (Thailand) Co., Ltd.	Other receivables	Yes	\$ 1,571,500 US\$ 50,000	\$ 1,571,500 US\$ 50,000	None	—	2	—	Operating capital	—	—	—	\$ 19,145,068	\$ 19,145,068
1	Compeq Manufacturing (Chongqing) Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	Other receivables	Yes	\$ 942,900 US\$ 30,000	\$ 942,900 US\$ 30,000	\$ 898,898 US\$ 28,600	2.000%	2	—	Operating capital and Repayments of bank borrowings	—	—	—	\$ 12,540,364 US\$ 398,993	\$ 12,540,364 US\$ 398,993
2	Compeq Manufacturing (Huizhou) Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	Other receivables	Yes	\$ 471,450 US\$ 15,000	\$ 471,450 US\$ 15,000	\$ 449,449 US\$ 14,300	2.000%	2	—	Operating capital and Repayments of bank borrowings	—	—	—	\$ 10,600,568 US\$ 337,275	\$ 10,600,568 US\$ 337,275

Note 1 : The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2 : The nature for financing is coded as follows:

1. Business relationship is coded "1".
2. Short-term financing is coded "2".

Note 3 : The counter-party that was directly and indirectly holds more than 67% of the voting shares and controlling, the limit of financing amount for individual counter-party shall not exceed 40% of the lender's net asset value as of the period. Limit of total financing amount shall not exceed 40% of the Company's net asset value; for foreign subsidiaries in which the Company directly or indirectly holds 100% of the voting shares, where short-term intercompany financing is required, the total amount of loans and the amount of any individual loan shall not exceed 100% of the lender's net worth.

Note 4 : The related parties have been eliminated upon consolidation.

TABLE 2

ENDORSEMENTS / GUARANTEES PROVIDED

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

No. (Note 1)	Endorsement / Guarantee Provider	Guaranteed Party		Limits on Endorsement / Guarantee Amount Provided to Each Guaranteed Party (Note 4)	Maximum Balance for the Period (US\$ in Thousands)	Ending Balance (US\$ in Thousands)	Amount Actually Drawn (US\$ in Thousands)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement / Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement / Guarantee Amount Allowable (Note 5)	Guarantee Provided by Parent Company (Note 6)	Guarantee Provided by A Subsidiary (Note 6)	Guarantee Provided to Subsidiaries in Mainland China (Note 6)
		Name	Nature of Relationship (Note 2)										
0	Compeq Manufacturing Co., Ltd.	HUATON HOLDINGS LIMITED	2	\$ 28,717,602	\$ 110,005 US\$ 3,500	\$ 110,005 US\$ 3,500	\$ — US\$ —	None	—	\$ 57,435,205	Y	—	—
0	Compeq Manufacturing Co., Ltd.	PELICAN COVE INVESTMENT LTD.	2	\$ 28,717,602	\$ 3,080,140 US\$ 98,000	\$ 3,080,140 US\$ 98,000	\$ 189,240 US\$ 6,021	None	6%	\$ 57,435,205	Y	—	—
0	Compeq Manufacturing Co., Ltd.	COMPEQ (Thailand) Co., Ltd.	2	\$ 28,717,602	\$ 1,895,229 US\$ 60,300	\$ 1,895,229 US\$ 60,300	\$ 100,199 US\$ 3,188	None	4%	\$ 57,435,205	Y	—	—
0	Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Suzhou) Co., Ltd.	2	\$ 28,717,602	\$ 157,150 US\$ 5,000	\$ 157,150 US\$ 5,000	\$ — US\$ —	None	—	\$ 57,435,205	Y	—	Y
0	Compeq Manufacturing Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	2	\$ 28,717,602	\$ 4,243,050 US\$ 135,000	\$ 2,357,250 US\$ 75,000	\$ 674,174 US\$ 21,450	None	5%	\$ 57,435,205	Y	—	Y
0	Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Chongqing) Co., Ltd.	2	\$ 28,717,602	\$ 2,514,400 US\$ 80,000	\$ 2,514,400 US\$ 80,000	\$ — US\$ —	None	5%	\$ 57,435,205	Y	—	Y
1	Compeq Manufacturing (Huizhou) Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	4	\$ 6,360,341 US\$ 202,365	\$ 4,305,910 US\$ 137,000	\$ 4,305,910 US\$ 137,000	\$ 2,271,006 US\$ 72,256	None	9%	\$ 10,600,568 US\$ 337,275	—	—	Y

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded “0”.
2. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: According to the “Guidelines Governing the Preparation of Financial Reports by Securities Issuers” issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50 % of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The calculation method and the ceiling amount shall be indicated. If there are contingent losses recognized in financial statements, the recognized amounts shall be indicated.

Note 4: For any entity in which the Company directly or indirectly holds 90% or more of the voting rights, the amount of endorsements and guarantees shall not exceed 60% of the Company’s equity as shown in its most recent financial statements. For Compeq Computer (Huizhou) Co., Ltd. the amount of endorsements and guarantees shall not exceed 60% of its equity as shown in its most recent financial statements.

Note 5: One point two times as much as the net value shown in the Company’s latest financial statement; One time as much as the net value shown in the Compeq Manufacturing (Huizhou) Co., Ltd.’s latest financial statement.

Note 6: Under the circumstance where the TSE or OTC listed parent company endorses or guarantees its subsidiaries, the subsidiary endorses or guarantees its TSE or OTC listed parent company or the endorsement and guarantee is made in mainland China, “Y” shall be filled in.

TABLE 3

MATERIAL SECURITIES HELD AT THE END OF THE PERIOD(EXCLUDING INVESTMENT IN A SUBSIDIARY OR AN ASSOCIATES AND INTEREST IN A JOINT VENTURE)

Amounts in Thousands of New Taiwan Dollars

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2025				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
COMPEQ MANUFACTURING CO., LTD.	<u>Stock</u> Kai-Hong Energy Co., Ltd.	None	Financial assets at fair value through other comprehensive income-non-current	10,782,400	\$ 121,410	5.66%	\$ 121,410	
Hua Nian Investment Ltd.	<u>Stock</u> Visual Photonics Epitaxy Co., Ltd.	None	Financial assets at fair value through profit or loss-current	10,000	\$ 1,515	0.01%	\$ 1,515	
	Johnson Health Tech. Co., Ltd.	"	"	5,000	755	—	755	
	Advanced Echem Materials Company Limited	"	"	6,000	5,262	0.01%	5,262	
	Acter Group Corporation Limited	"	"	6,000	4,686	—	4,686	
	Handa Pharmaceuticals, Inc.	"	"	271,000	23,306	0.16%	23,306	
	Lian Hong Art Company Limited.	"	"	347,648	4,930	0.87%	4,930	
	nFore Technology Co., Ltd.	"	"	519,191	13,431	1.48%	13,431	
	AutoSys (TW) Co., Ltd.	"	Financial assets at fair value through other comprehensive income-non-current	2,000,000	5,254	6.50%	5,254	

Note: Excluding subsidiaries.

TABLE 4

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

Company Name	Related Party	Nature of Relation ships	Transaction Details				Details of non-arm's length transaction		Notes and Accounts receivable (payable)		Note
			Purchases/ Sales	Amount (Foreign Currencies in Thousands)	Percentage of total purchases (sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currencies in Thousands)	Percentage of total receivables (payable)	
Compeq Manufacturing Co., Ltd.	PELICAN COVE INVESTMENT LTD.	Subsidiary	Purchases	\$ 15,723,754	60%	60~90 days	The purchase price are similar to those price from other supplies	Similar to those price from other supplies	\$ 3,746,194	48%	2
Compeq Manufacturing Co., Ltd.	Hong Kong Compeq Huizhou Trading Company Limited	Subsidiary	Purchases	818,989	3%	60~90 days	The purchase price are similar to those price from other supplies	Similar to those price from other supplies	113,159	1%	2
Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Suzhou) Co., Ltd.	Subsidiary	Purchases	432,503	2%	60~90 days	The purchase price are similar to those price from other supplies	Similar to those price from other supplies	84,321	1%	2
Compeq Manufacturing (Huizhou) Co., Ltd.	PELICAN COVE INVESTMENT LTD.	Subsidiary	Sales	US\$ 166,943	37%	60~90 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ 38,580	31%	2
Compeq Manufacturing (Huizhou) Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	Subsidiary	Purchases	US\$ 4,347	1%	90~120 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ —	—	2

TABLE 4-1

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

Company Name	Related Party	Nature of Relationships	Transaction Details				Details of non-arm's length transaction		Notes and Accounts receivable (payable)		Note
			Purchases/Sales	Amount (Foreign Currencies in Thousands)	Percentage of total purchases (sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currencies in Thousands)	Percentage of total receivables (payable)	
Compeq Manufacturing (Huizhou) Co., Ltd.	Compeq Manufacturing (Chongqing) Co., Ltd.	Subsidiary	Sales	US\$ 11,580	2%	60~90 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ —	—	1、2
Compeq Manufacturing (Huizhou) Co., Ltd.	Compeq Manufacturing (Chongqing) Co., Ltd.	Subsidiary	Purchases	US\$ 160,068	52%	90~120 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ 68,696	37%	1、2
Compeq Manufacturing (Suzhou) Co., Ltd.	Hong Kong Compeq Huizhou Trading Company Limited	Subsidiary	Sales	US\$ 25,842	45%	60~90 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ 4,228	30%	2
Compeq Technology (Huizhou) Co., Ltd.	Hong Kong Compeq Huizhou Trading Company Limited	Subsidiary	Sales	US\$ 845,297	90%	60~90 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ 184,135	82%	1、2
Compeq Technology (Huizhou) Co., Ltd.	Hong Kong Compeq Huizhou Trading Company Limited	Subsidiary	Purchases	US\$ 16,889	4%	60~90 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ —	—	1、2
Compeq Manufacturing (Chongqing) Co., Ltd.	PELICAN COVE INVESTMENT LTD.	Subsidiary	Sales	US\$ 218,405	58%	90~120 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ 69,212	51%	2
PELICAN COVE INVESTMENT LTD.	COMPEQ (Thailand) Co., Ltd.	Subsidiary	Purchases	US\$ 112,047	22%	60~90 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ 22,141	17%	2

Note 1: As agreed by both parties, the settlement of accounts receivables and accounts payable was finalized in accordance with the net amount at the end of the period.

Note 2: The related parties have been eliminated upon consolidation.

Note 3: The calculation was made according to the ratio of the net amount of respective amount titles prior to consolidation.

TABLE 5

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currencies in Thousands)	Turnover rate	Overdue receivables		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Compeq Manufacturing Co., Ltd.	COMPEQ (Thailand) Co., Ltd.	Subsidiary	\$ 4,231,010 (Note 1)	(Note 2)	None	None	\$ —	—
PELICAN COVE INVESTMENT LTD.	Compeq Manufacturing Co., Ltd.	Parent company	US\$ 119,192 (Note 1)	4.06	None	None	US\$ 82,610	—
PELICAN COVE INVESTMENT LTD.	COMPEQ (Thailand) Co., Ltd.	Subsidiary	US\$ 32,863 (Note 1)	(Note 2)	None	None	US\$ 12,744	—
Compeq Manufacturing (Huizhou) Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	Subsidiary	US\$ 22,805 (Note 1)	(Note 2)	None	None	US\$ 5,869	—
Compeq Manufacturing (Huizhou) Co., Ltd.	PELICAN COVE INVESTMENT LTD.	Subsidiary	US\$ 38,580 (Note 1)	5.07	None	None	US\$ 26,283	—
Compeq Manufacturing (Suzhou) Co., Ltd.	Hong Kong Compeq Huizhou Trading Co., Ltd.	Subsidiary	US\$ 4,228 (Note 1)	4.57	None	None	US\$ 4,228	—
Compeq Technology (Huizhou) Co., Ltd.	Hong Kong Compeq Huizhou Trading Co., Ltd.	Subsidiary	US\$ 184,135 (Note 1)	4.83	None	None	US\$ 179,750	—
Compeq Manufacturing (Chongqing) Co., Ltd.	Compeq Manufacturing (Huizhou) Co., Ltd.	Subsidiary	US\$ 68,696 (Note 1)	2.84	None	None	US\$ 42,541	—
Compeq Manufacturing (Chongqing) Co., Ltd.	PELICAN COVE INVESTMENT LTD.	Subsidiary	US\$ 69,212 (Note 1)	2.73	None	None	US\$ 33,558	—
Hong Kong Compeq Huizhou Trading Co., Ltd.	Compeq Manufacturing Co., Ltd.	Parent company	US\$ 3,600 (Note 1)	5.04	None	None	US\$ 3,600	—
COMPEQ (Thailand) Co., Ltd.	PELICAN COVE INVESTMENT LTD.	Subsidiary	US\$ 22,141 (Note 1)	7.57	None	None	US\$ 22,131	—

Note 1 : The related parties have been eliminated upon consolidation.

Note 2 : The ending balance is primarily consisted of other receivables, which is not applicable for the calculation of turnover days.

TABLE 6

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEEs OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

(EXCLUDING INFORMATION OF INVESTMENT MAINLAND CHINA)

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment		Balance as of December 31, 2025			Net Income (Losses) of the Investee (Foreign Currencies in Thousands)	Shares of Profits/Losses of Investee (Foreign Currencies in Thousands)	Notes
				December 31, 2025 (Foreign Currencies in Thousands)	December 31, 2024 (Foreign Currencies in Thousands)	Shares	Percentage of ownership	Carrying value (Foreign in Thousands)			
Compeq Manufacturing Co., Ltd.	HUATON HOLDINGS LIMITED	BVI	Investment	\$ 3,771,004	\$ 3,771,004	240,886,000	100.00%	\$ 34,171,082	\$ 3,931,297 US\$ 127,334	\$ 3,934,353 (Note 1,2)	Subsidiary
	PELICAN COVE INVESTMENT LTD.	SAMOA	Trading	559,685	559,685	17,700,000	100.00%	798,617	\$ 13,874 US\$ 428	\$ 13,874 (Note 2)	Subsidiary
	Hua Nian Investment Ltd.	TAIWAN	Investment	250,000	250,000	33,700,000	100.00%	299,839	\$ 4,431	\$ 4,431 (Note 2)	Subsidiary
	LITON HOLDINGS LTD.	BVI	Investment (Indirectly investment in Mainland China)	168,250	168,250	100,000	100.00%	1,028	\$ (158) US\$ (5)	\$ (158) (Note 2)	Subsidiary
	COMPEQ (Thailand) Co., Ltd.	THAILAND	PCB manufacturing and sales	2,689,175	2,689,175	300,000,000	100.00%	3,106,219	\$ 278,484 THB 294,515	\$ 278,484 (Note 2)	Subsidiary
COMPEQ (Thailand) Co., Ltd.	COMPEQ Technology (Thailand) Co., Ltd.	THAILAND	PCB manufacturing and sales	—	—	—	—	—	\$ 2,165 THB 2,288	(Note 3,Note5)	Subsidiary
HUATON HOLDINGS LIMITED	Hong Kong Huaton Holdings Trading Company Limited	Hong Kong	Trading	\$ 9,429 US\$ 300	\$ 9,429 US\$ 300	—	100.00%	\$ 8,024 US\$ 255	\$ 183 US\$ 6	(Note 3)	Subsidiary
Compeq Technology (Huizhou) Co., Ltd.	Hong Kong Compeq Huizhou Trading Company Limited	Hong Kong	Trading	\$ 8,400 US\$ 267	\$ 8,400 US\$ 267	—	100.00%	\$ 600,963 US\$ 19,121	\$ 102,999 US\$ 3,308	(Note 3)	Subsidiary
	COMPEQ Technology (Thailand) Co., Ltd.	THAILAND	PCB manufacturing and sales	\$ 1,051,829 THB 1,056,977	—	300,000,000	100.00%	\$ 1,054,105 THB 1,059,265	\$ 2,165 THB 2,288	(Note 3,Note5)	Subsidiary

Note 1: The investment profits and losses recognized in the current period include the recognition and deletion of realized and unrealized profits and losses.

Note 2: The related parties have been eliminated upon consolidation.

Note 3: The current period profit and loss of the investee company were already included in the investment company's income statement, so they are not separately presented.

Note 4: The current period profit and loss of the investee company and the investment profit and loss recognized in the current period by the investee company are converted in accordance with the average exchange rate, while other profits and losses are converted according to the exchange rate at the end of the period.

Note5: Compeq Technology (Huizhou) Co., Ltd. purchased 100% of the equity interest in COMPEQ Technology (Thailand) Co., Ltd. from COMPEQ (Thailand) Co., Ltd. a subsidiary of the Company, on August 8, 2025.

TABLE 7

INFORMATION ON INVESTMENT IN MAINLAND CHINA

1.

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

Investee Company	Main Businesses and products	Total Amount of paid-in Capital (Foreign Currencies in Thousands)	Method of Investment	Accumulated Outflow of Investment January 1, 2025 (US\$ in Thousands)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025 (US\$ in Thousands)	Net income (loss) of investee company	Percentage of Ownership	Shares of profits/Losses (Note 4)	Carrying Amount (US\$ in Thousands) as of December 31, 2025 (US\$ in Thousands)	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
Compeq Manufacturing (Huizhou) Co., Ltd.	PCB manufacturing and sales	\$ 4,661,680 CNY\$1,042,301	Invest in mainland China Companies through third-region Companies (Note 1)	\$ 1,571,500 US\$ 50,000	—	—	\$ 1,571,500 US\$ 50,000	\$ 1,225,550 CNY\$ 283,190	100%	\$ 1,223,172 US\$ 39,641	\$ 10,602,850 US\$ 337,348	\$ 424,650 US\$ 13,218
Compeq Manufacturing (Suzhou) Co., Ltd.	PCB manufacturing and sales	\$ 408,669 CNY\$ 91,374	(Note 2)	\$ 345,730 US\$ 11,000	—	—	\$ 345,730 US\$ 11,000	\$ (125,724) CNY\$ (28,826)	100%	\$ (125,724) US\$ (4,040)	\$ 1,063,328 US\$ 33,832	—
Compeq Technology (Huizhou) Co., Ltd.	PCB manufacturing and sales	\$ 5,727,245 CNY\$ 1,280,550	(Note 1)	\$ 1,508,640 US\$ 48,000	—	—	\$ 1,508,640 US\$ 48,000	\$ 1,810,645 CNY\$ 420,373	100%	\$ 1,803,498 US\$ 58,806	\$ 14,407,217 US\$ 458,391	—
Compeq Manufacturing (Chongqing) Co., Ltd.	PCB manufacturing and sales	\$ 2,381,107 CNY\$ 532,390	(Note 1)	—	—	—	—	\$ 1,362,540 CNY\$ 312,838	100%	\$ 1,362,540 US\$ 43,825	\$ 12,540,364 US\$ 398,993	\$ 1,612,179 US\$ 52,018
Huabo Technology (Huizhou) Co., Ltd.	Electronic manufacturing, Outsourcing Processing, Plant leasing, Property management, Equipment leasing and electronic technology management and technical consulting	\$ 1,295,860 CNY\$ 289,740	(Note 3)	—	—	—	—	\$ 15,067 CNY\$ 3,427	100%	\$ 15,067 US\$ 478	\$ 1,398,372 US\$ 44,492	—

Accumulated Investment in Mainland China as of December 31, 2025 (US\$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousands)	Upper Limit on Investment (US\$ in Thousands)
\$ 3,868,719 [US\$ 123,090]	\$ 10,590,370 [US\$ 336,951]	\$ — (Note 6)

Note 1: Indirectly investment in Mainland China through the HUATON HOLDINGS LIMITED registered in a third region.

Note 2: Originally indirectly investment in Mainland China through the HUATON HOLDINGS LIMITED registered in a third region. In April 2020, investment in Mainland Company through an investment company in mainland China.

Note 3: Investment in Mainland Company through an investment company in Mainland China.

Note 4: The investment income (loss) recognized in current period adopted the financial statement certificated by the CPA of the parent company in Taiwan.

Note 5: Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the spot rates at the financial report date. (US\$1:NT\$31.43, US\$1:NT\$31.00, CNY\$1:NT\$4.4725, CNY\$1:NT\$4.3803)

Note 6: The Company already received the letter of corporate operation headquarters establishment issued by Industrial Development Bureau, MOEA, and the approval period has been from March 14, 2023 to March 13, 2026. It could be exempt from the restriction on investment amounts or ratios.

2.

The Company invested resolution	Investment Amounts		Investment Amounts	Indirectly Investment in Mainland China	
	Approved Number	Authorized Amounts		Investment outflow	Purpose
HUATON HOLDINGS LIMITED	1995/09/29-(84)-84015347	US\$ 20,000,000	US\$ 20,000,000	US\$ 20,000,000	Indirectly investment Compeq Manufacturing (Huizhou) Co., Ltd.
"	1997/07/14-(86)-86721040	US\$ 30,000,000	US\$ 30,000,000	US\$ 30,000,000	"
"	1997/09/18-(86)-86736526	US\$ 5,400,000	US\$ 5,400,000	US\$ 5,400,000	Indirectly investment PEWC (Guangzhou) Co., Ltd. and achieved 45% stake.
"	2001/07/27-(90)-90022765	US\$ 5,400,000	US\$ 3,390,000	US\$ 1,890,000	"
"	2004/02/13-093003687	US\$ (1,920,000)	US\$ —	US\$ (1,296,000)	Reduce investment PEWC (Guangzhou) Co., Ltd. and achieved 8% stake.
"	2004/04/23-093010705	US\$ 2,900,000	US\$ 2,900,000	US\$ 2,900,000	Indirectly investment Compeq Manufacturing (Suzhou) Co., Ltd. (Note 1)
"	2004/06/23-093015571	US\$ 9,500,000	US\$ 9,500,000	US\$ 9,500,000	Indirectly investment Compeq Technology (Huizhou) Co., Ltd.
"	2005/02/23-094001762	US\$ 4,100,000	US\$ 4,100,000	US\$ 4,100,000	Indirectly investment Compeq Manufacturing (Suzhou) Co., Ltd. (Note 1)
"	2006/03/31-09500069340	US\$ 8,500,000	US\$ 8,500,000	US\$ 8,500,000	Indirectly investment Compeq Technology (Huizhou) Co., Ltd.
"	2006/03/31-09500069390	US\$ 7,000,000	US\$ 4,000,000	US\$ 4,000,000	Indirectly investment Compeq Manufacturing (Suzhou) Co., Ltd. (Note 1)
"	2011/03/25-10000119020	US\$ (3,000,000)	US\$ —	US\$ —	Reduce investment Compeq Manufacturing (Suzhou) Co., Ltd. (Note 1)
"	2006/07/20-09500220150	US\$ 290,000	US\$ 290,000	US\$ —	Directly investment Compeq Manufacturing (Suzhou) Co., Ltd. (Note 1)
"	2006/12/27-09500445960	US\$ 1,000,000	US\$ 210,000	US\$ 210,000	Indirectly investment Veceration Co., Ltd.
"	2009/07/24-09800263470	US\$ (790,000)	US\$ —	US\$ —	Reduce investment Veceration Co., Ltd.

The Company invested resolution	Investment Amounts		Investment Amounts	Indirectly Investment in Mainland China	
	Approved Number	Authorized Amounts		Investment outflow	Purpose
"	2007/01/22-09600008530	US\$ 2,886,000	US\$ 2,886,000	US\$ 2,886,000	Indirectly investment PEWC (Guangzhou) Co., Ltd.
"	2011/03/28-10000119030	US\$ 7,000,000	US\$ 7,000,000	US\$ —	Directly investment Compeq Technology (Huizhou) Co., Ltd.
"	2012/03/30-10100019840	US\$ 45,000,000	US\$ 45,000,000	US\$ —	Directly investment Compeq Manufacturing (Chongqing) Co., Ltd.
"	2012/05/25-10199165700	US\$ 15,000,000	US\$ 15,000,000	US\$ —	Directly investment Compeq Technology (Huizhou) Co., Ltd.
"	2014/02/27-10200494220	US\$ 50,000,000	US\$ 40,000,000	US\$ —	Directly investment Compeq Manufacturing (Chongqing) Co., Ltd.
"	2015/03/31-10300357540	US\$ 30,000,000	US\$ 30,000,000	US\$ —	Directly investment Compeq Technology (Huizhou) Co., Ltd.
"	2017/07/06-10600111220	US\$ 15,000,000	US\$ 15,000,000	US\$ —	Directly investment Compeq Manufacturing (Huizhou) Co., Ltd.
"	2018/01/31-10600349330	US\$ 33,710,000	US\$ —	US\$ —	Directly investment Compeq Manufacturing (Suzhou) Co., Ltd. (Note 1)
"	2018/04/02-10600349320	US\$ 60,000,000	US\$ 30,000,000	US\$ 30,000,000	Indirectly investment Compeq Technology (Huizhou) Co., Ltd.
"	2020/04/27-10900057020	US\$ (33,710,000)	US\$ —	US\$ —	Reduce investment Compeq Manufacturing (Suzhou) Co., Ltd. (Note 1)
"	2020/04/27-10900057020	US\$ 39,974,508	US\$ 11,290,000	US\$ 11,000,000	Transferred the 100% equity of Compeq Manufacturing (Suzhou) to increase investment Compeq Technology (Huizhou) Co., Ltd. (Note 2)
"	2025/05/07-11420077740	US\$ (10,000,000)	US\$ —	US\$ —	Reduce investment Compeq Manufacturing (Chongqing) Co., Ltd. (Note 3)

The Company invested resolution	Investment Amounts		Investment Amounts	Indirectly Investment in Mainland China	
	Approved Number	Authorized Amounts		Investment outflow	Purpose
LITON HOLDINGS LTD.	2007/04/24-09600111850	US\$ 5,000,000	US\$ 5,000,000	US\$ 5,000,000	Indirectly investment Victor (Chang shu) Co., Ltd.

Note 1: In April 2020, the shares of Compeq Manufacturing (Suzhou) Co., Ltd. has been transferred 100% to Compeq Technology (Huizhou) Co., Ltd. The Originally investment amount authorized by Investment Commission, MOEA, will not included in the calculation of the company's total investment in mainland China.

Note 2: The investment amount authorized by Investment Commission, MOEA, includes US\$28,684,508 of the capital increase by retained earnings from Compeq Manufacturing (Suzhou) Co., Ltd.

Note 3: The Company deregistered (cancelled) the unexecuted approved investment quota of US\$10,000,000 under the Investment Commission, MOEA-approved indirect investment in Compeq Manufacturing (Chongqing) Co., Ltd. in mainland China.

14. SEGMENT INFORMATION

The Company has provided the operating segments disclosure in the consolidated financial statements.

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ACCOUNTING ITEMS

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

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STATEMENT OF CASH AND CASH EQUIVALENTS

DECEMBER 31, 2025

STATEMENT 1

Item	Description	Amount
Cash on hand		\$ 4,247
NTD		2,428
USD	US\$ 13,335.00	419
CNY	CNY 67,191.00	302
THB	THB 445,030.00	446
Petty cash		220
Others	The amount of individual item in others does not exceed 5% of the account balance	432
Checking accounts		336
Savings accounts		1,895,783
NTD		1,357,709
USD	US\$ 16,098,235.59	505,967
JPY	JPY\$ 128,874,476.77	25,878
Others	The amount of individual item in others does not exceed 5% of the account balance	6,229
Time deposits		2,181,853
NTD	Expiration date 01/26/2026~03/26/2026 Interest rates at 1.285%~1.650%	1,498,600
USD	Expiration date 01/09/2026~01/21/2026 Interest rates at 3.700%~4.020% US\$ 21,100,000	663,173
JPY	Expiration date 01/16/2026 Interest rates at 0.510%~0.700% JPY\$ 100,000,000	20,080
Repurchase Agreements of bonds		550,266
NTD	Expiration date 01/09/2026~01/19/2026 Interest rates at 1.430%~1.450%	455,976
USD	Expiration date 01/21/2026 Interest rates at 4.000% USD\$ 3,000,000	94,290
Total		\$ 4,632,485

Exchange rate : US\$1 = NT\$31.430 ◦

CNY\$1 = NT\$4.496 ◦

THB\$1 = NT\$1.0019 ◦

JPY\$1 = NT\$0.2008 ◦

STATEMENT OF ACCOUNTS RECEIVABLE

DECEMBER 31, 2025

STATEMENT 2

Client Name	Description	Amount	Note
Third Parties			
Client A	US\$ 87,698,690.77	\$ 2,756,370	
Client B	US\$ 51,731,995.48	1,625,937	
Client C	US\$ 14,266,784.45	448,405	
Others	The amount of individual item in others does not exceed 5% of the account balance	3,733,720	
Subtotal		8,564,432	
Less: Allowance for doubtful accounts		(105,487)	
Third Parties, net		8,458,945	
Related Parties			
Compeq Technology (Huizhou) Co., Ltd.	US\$ 7,031.41	221	
COMPEQ (Thailand) Co., Ltd.	US\$ 46,610.27	1,465	
Compeq Manufacturing (Chongqing) Co., Ltd.	US\$ 2,848,840.04	89,539	
Subtotal		91,225	
Total		\$ 8,550,170	

Exchange rate : US\$1 = NT\$31.43 °

STATEMENT OF OTHER RECEIVABLES

DECEMBER 31, 2025

STATEMENT 3

Item	Description	Amount	Note
Interest Receivable		\$ 9,777	
Interest Receivable-related parties		113,180	
Income from scrap sales-non-related parties		47,245	
Advance payment-related parties		6,962	
Advance payment-non-related parties		14	
Compensation income-related parties		16,624	
Compensation income-non-related parties		117	
VAT and GST refund		41,088	
Advance payment payroll-related parties		55,462	
Endorsement guarantees interest- related parties		1,447	
Lending Funds to other-related parties		4,117,330	
Others		255	
Total		\$ 4,409,501	

STATEMENT OF INVENTORIES

DECEMBER 31, 2025

STATEMENT 4

Item	Description	Amount		Note
		Cost	Net Realizable Value	
Raw material		\$ 879,787	\$ 700,602	
Supplies		200,226	149,869	
Work in process		1,465,228	1,559,771	
Finished goods		1,535,693	1,416,417	
Goods		135,697	101,129	
Subtotal		4,216,631		
Less: allowance for inventory devaluation and obsolescence		(772,760)		
Net		\$ 3,443,871		

STATEMENT OF PREPAYMENTS

DECEMBER 31, 2025

STATEMENT 5

Item	Description	Amount	Note
Prepaid expense		\$ 56,459	
Prepaid insurance premiums		24,226	
Prepaid rents		4,352	
Prepaid maintenance		5,552	
Office supplies		450	
Prepaid utility		3,629	
Others		17,987	
Advances to suppliers		263	
Net input VAT		48,583	
Total		\$ 105,042	

STATEMENT OF OTHER CURRENT FINANCIAL ASSETS

DECEMBER 31, 2025

STATEMENT 6

Item	Description	Amount	Note
Non-cash equivalent of time deposits	Expiration date 01/09/2026~05/27/2026 Interest rates at 0.700%~1.750%	\$ 3,010,240	
Restricted time deposits	Expiration date 09/28/2026~09/29/2026 Interest rates at 1.700%	10,477	EPA deposit
Total		\$ 3,020,717	

STATEMENT OF OTHER CURRENT ASSETS

DECEMBER 31, 2025

STATEMENT 7

Item	Description	Amount	Note
Temporary		\$ 5,050	
Guarantee deposits paid Customs deposit	Customs deposit	33,366	
Total		\$ 38,416	

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME-NON-CURRENT

FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT 8

Name of Securities	As of January 1, 2025		Additions		Decrease		Valuation in current period	As of December 31, 2025		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	Amount		
Kai-Hong Energy Co., Ltd.	—	\$ —	10,782,400	\$ 107,824	—	\$ —	\$ 13,586	10,782,400	\$ 121,410	None	

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT 9

Name of Securities	As of January 1, 2025		Additions		Decrease		As of December 31, 2025			Fair value / Net assets value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	%	Amount	Unit Price (NT\$)	Total Amount		
HUATON HOLDINGS LIMITED	240,886,000	\$30,711,939	—	\$ 3,947,452	—	\$ 488,309	240,886,000	100%	\$34,171,082	\$ 142.35	\$34,292,391	None	1
PELICAN COVE INVESTMENT LTD.	17,700,000	819,010	—	13,874	—	34,267	17,700,000	100%	798,617	45.11	798,617	None	2
Hua Nian Investment Ltd.	33,700,000	305,257	—	4,431	—	9,849	33,700,000	100%	299,839	8.90	299,839	None	3
LITON HOLDINGS LTD.	100,000	1,239	—	—	—	211	100,000	100%	1,028	10.28	1,028	None	4
COMPEQ (Thailand) Co. Ltd.	300,000,000	2,700,909	—	406,153	—	843	300,000,000	100%	3,106,219	10.35	3,106,219	None	5
Total		\$34,538,354		\$ 4,371,910		\$ 533,479			\$38,376,785				

1. Including investment gain recognized under equity method amount to \$3,934,353 thousand, realized profit from disposal of equipment amount to \$4,842 thousand, increase realized profit from patent income \$7,414 thousand, capital surplus amount to \$843 thousand and decrease unrealized profit from disposal of equipment \$5,631 thousand, realized profit from sales \$281 thousand and foreign currency statements translation adjustments amount amount to \$482,397 thousand.
2. Including investment gain recognized under equity method amount to \$13,874 thousand and decrease foreign currency statements translation adjustments amount to \$34,267 thousand.
3. Including investment gain recognized under equity method amount to \$4,431 thousand and decrease unrealized loss on instruments at fair value through comprehensive income amount to \$9,849 thousand.
4. Including investment loss recognized under equity method amount to \$157 thousand and decrease foreign currency statements translation adjustments amount to \$54 thousand.
5. Including investment gain recognized under equity method amount to \$278,483 thousand, increase foreign currency statements translation adjustments amount to \$127,670 thousand and decrease capital surplus amount to \$843 thousand.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT 10

Item	As of January 1, 2025	Additions	Decrease	As of December 31, 2025	Note
Land	\$ 15,205	\$ —	\$ (4,489)	\$ 10,716	
Buildings and structures	167,534	27,326	(14,018)	180,842	
Transportation equipment	30,450	8,760	(12,162)	27,048	
Total	\$ 213,189	\$ 36,086	\$ (30,669)	\$ 218,606	

STATEMENT OF RIGHT-OF-USE ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT 11

Item	As of January 1, 2025	Additions	Decrease	As of December 31, 2025	Note
Land	\$ 6,166	\$ 4,388	\$ (4,489)	\$ 6,065	
Buildings and structures	69,127	21,984	(14,018)	77,093	
Transportation equipment	17,283	9,005	(11,408)	14,880	
Total	\$ 92,576	\$ 35,377	\$ (29,915)	\$ 98,038	

STATEMENT OF OTHER NON-CURRENT ASSETS

DECEMBER 31, 2025

STATEMENT 12

Item	Description	Amount	Note
Guarantee deposits paid			
Rent of deposits		\$ 13,631	
Other deposits		1,852	
Total		\$ 15,483	

STATEMENT OF ACCOUNTS PAYABLES

DECEMBER 31, 2025

STATEMENT 13

Client Name	Description	Amount	Note
Third Parties		\$ 3,812,503	
Elite Material Co., Ltd.	(US\$ 23,802,786.56)	748,122	
Taiwan Union Technology Co., Ltd.	(US\$ 16,482,386.33)	518,041	
Isola Asia Pacific (Taiwan) Inc.	(US\$ 10,956,965.44)	344,377	
Others	The amount of individual item in others does not exceed 5% of the account balance	2,201,963	
Related Parties		3,945,584	
Pelican Cove Investment Ltd.	(US\$ 119,191,661.39)	3,746,194	
Hong Kong Compeq Huizhou Trading Company Limited	(US\$ 3,600,349.00)	113,159	
Compeq Tecnology (Huizhou) Co., Ltd.	(US\$ 60,762.21)	1,910	
Compeq Manufacturing (Suzhou) Co., Ltd.	(US\$ 2,682,823.42)	84,321	
Total		\$ 7,758,087	

Exchange rate : US\$1 = NT\$31.43 °

STATEMENT OF OTHER PAYABLES

DECEMBER 31, 2025

STATEMENT 14

Item	Description	Amount	Note
Payable on machinery and equipment		\$ 462,991	
Payable return		886	
Accrued expense		2,115,111	
Wages and salaries payable		156,313	
Annual bonuses payable		1,027,579	
Employee's compensation		150,135	
Pension expense payable		23,917	
Insurance expense payable		70,952	
Commission payable		35,554	
Interest payable		3,719	
Processing payable		200,569	
Maintenance payable		201,014	
Freight charge payable		40,137	
Professional service payable		12,179	
Employment security fees		21,817	
Office supplies payable		14,672	
Taxes payable		3,942	
Compensated absences		90,959	
Other payable		61,653	
Total		\$ 2,578,988	

STATEMENT OF LEASE LIABILITIES

DECEMBER 31, 2025

STATEMENT 15

Item	Description	Lease Term	Discount Rate	Balance End of Year	Note
Land		2 to 3 years	1.420%~ 1.920%	\$ 3,068	
Buildings		3 to 15 years	1.420%~ 1.920%	101,397	
Transportation equipment		3 years	1.420%~ 1.920%	12,278	
Total				116,743	
Less: Current portion				(28,054)	
Non-current portion				\$ 88,689	

STATEMENT OF OTHER CURRENT LIABILITIES

DECEMBER 31, 2025

STATEMENT 16

Item	Description	Amount	Note
Receipts in advance		\$ 934	
Temporary receipts		1,745	
Third Parties	Payment	1,745	
Receipts under custody		63,884	
Guarantee deposits		44,810	
Refund liabilities		1,377,514	
Total		\$ 1,488,887	

STATEMENT OF LONG-TERM BORROWINGS

DECEMBER 31, 2025

STATEMENT 17

Creditors	Description	Amount	Expiry Date	Collateral	Note
Hwa Nan Bank	Unsecured borrowing	93,750	09/15/2026		
First Bank	"	400,000	07/15/2028		
Land Bank of Taiwan	"	400,000	09/15/2028		
Taipei Fubon commercial Bank	"	300,000	09/25/2028		
Bank of Taiwan	"	200,000	10/15/2028		
Bank of Taiwan	"	200,000	09/15/2029		
Taipei Fubon commercial Bank	"	5,000	04/21/2030		
E. Sun Bank	"	200,000	06/15/2030		
Chang Hwa Bank	"	300,000	06/15/2030		
Taipei Fubon commercial Bank (Union loan)	"	1,000,000	09/10/2030		
Mega International Commercial-Bank	"	300,000	09/25/2030		
KGI Bank	"	200,000	09/25/2030		
Export-Import Bank of the Republic of China	"	100,000	11/25/2030		
Far Eastern International Bank	"	500,000	11/29/2030		
Bank of Taiwan	"	200,000	12/01/2030		
KGI Bank	"	400,000	01/21/2031		
Land Bank of Taiwan	"	200,000	05/20/2031		
Taiwan Cooperative Bank	"	5,000	11/15/2031		
Taiwan Cooperative Bank	"	195,000	11/15/2031		
Bank of Taiwan	"	300,000	12/31/2031		
Mega International Commercial-Bank	"	5,000	05/20/2032		
Taiwan Cooperative Bank	"	100,000	06/15/2032		
Total		\$ 5,603,750			
Current		\$ 268,750			
Non-current		\$ 5,335,000			

Note: Interest rates 1.525%~2.197%。

STATEMENT OF NET OPERATING REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT 18

Item	Shipments (Piece)	Amount	Note
PCB	8,472,933.23 SF	\$ 21,148,880	
PCB Goods	11,822,384.76 SF	17,097,941	
	10,379,309 QTY		
Goods		45,306	
Sales revenues		38,292,127	
Less: Sales returns	148,832.58 SF	(278,677)	
	6,788 QTY		
Sales discounts		(777,942)	
Net sales		37,235,508	
Other operating revenues		376,192	
Total		\$ 37,611,700	

STATEMENT OF OPERATING COSTS

FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT 19

Item	Amount	
	Subtotal	Total
Raw material		\$ 8,855,648
Balance, beginning of year	\$ 661,291	
Add: raw material purchased	9,324,375	
Less: raw material, end of year	(879,787)	
Consumables	(244,953)	
Scrapped	(5,278)	
Direct labor		2,153,421
Manufacturing expenses		7,680,303
Manufacturing cost		18,689,372
Add: work in process, beginning of year	1,063,634	
Less: work in process, end of year	(1,465,228)	
Unamortized fix manufacturing costs	(121,948)	
Transferred to research and development expenses	(504,477)	
Transferred to manufacturing operating expenses	(145,218)	
Cost of finished goods		17,516,135
Add: finished goods, beginning of year	1,065,195	
Overseas processing costs	(1,550,119)	
Less: finished goods, end of year	(1,535,693)	
Scrapped	(131,796)	
Transferred to manufacturing or operating expenses	(119,180)	
Cost of goods sold-PCB		15,244,542
Merchandise, beginning of the year	230,526	
Add: Merchandise purchased	16,651,214	
Less: Merchandise, end of the year	(135,697)	
Cost of merchandise sold		16,746,043
Subtotal		31,990,585
Other operating cost		(64,990)
Gain on reversal of inventory write-down	(306)	
Loss on scrap of inventories	137,074	
Loss on sluggish of inventories	85,042	
Income from scrap sales	(408,748)	
Unamortized fix manufacturing costs	121,948	
Costs of goods sold		31,925,595
Other operating cost		39,000
By-product, beginning of the year		
Add: manufacturing expense	18,069	
Cost of goods sold-by-product	18,069	
Cost of raw material sold directly	20,931	
Total		\$ 31,964,595

STATEMENT OF MANUFACTURING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT 20

Item	Description	Amount		Note
		PCB	By-product	
Wages and salaries		\$ 1,675,127	\$ 521	
Rent expense		11,479	—	
Stationery supplies		3,428	—	
Traveling expenses		10,564	—	
Freight		56,395	—	
Postage expense		1,923	—	
Repair and maintenance expense		376,071	—	
Utilities expense		1,482,281	—	
Insurance expense		351,693	77	
Entertainment expense		2,456	—	
Donations		547	—	
Taxes		8,841	—	
Depreciation		1,298,747	16	
Amortizations		1,118	—	
Meal expense		57,148	—	
Employee benefits		168,275	40	
Training expense		1,758	—	
Consumables expense		1,040,167	—	
Commissioned processing fee		268,892	17,402	
Spare parts		615,350	—	
Miscellaneous purchase		13,410	—	
Professional service		9,222	—	
Others expense		225,411	12	
Total		\$ 7,680,303	\$ 18,068	

STATEMENT OF SALES AND MARKETING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT 21

Item	Description	Amount	Note
Wages and salaries		\$ 174,748	
Rent expense		123	
Stationery supplies		35	
Traveling expenses		12,185	
Freight		127,029	
Postage expense		1,433	
Repair and maintenance expense		456	
Advertisement expense		119,696	
Utilities expense		1,008	
Insurance expense		17,281	
Entertainment expense		11,348	
Taxes		300	
Depreciation		4,190	
Amortizations		3	
Export loss		8,088	
Meal expense		1,244	
Employee benefits		5,414	
Commissions expense		46,503	
Spare parts		53	
Commissioned processing fee		38,427	
Commissioned testing fee		6,178	
Others expense		23,331	
Total		\$ 599,073	

STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT 22

Item	Description	Amount	Note
Wages and salaries		\$ 223,852	
Rent expense		613	
Stationery supplies		1,081	
Traveling expenses		8,597	
Freight		2	
Postage expense		3,865	
Repair and maintenance expense		8,632	
Advertisement expense		515	
Utilities expense		1,146	
Insurance expense		22,815	
Entertainment expense		10,311	
Donations		4,320	
Taxes		259	
Depreciation		10,128	
Amortizations		9,790	
Meal expense		2,936	
Employee benefits		9,409	
Training expense		396	
Spare parts		8,137	
Professional service		24,148	
Others expense		17,882	
Total		\$ 368,834	

STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT 23

Item	Description	Amount	Note
Wages and salaries		\$ 585,174	
Rent expense		1,045	
Stationery supplies		299	
Traveling expenses		6,572	
Freight		355	
Postage expense		600	
Repair and maintenance expense		11,204	
Utilities expense		14,082	
Insurance expense		38,292	
Entertainment expense		1,597	
Taxes		700	
Depreciation		12,208	
Amortizations		4,319	
Meal expense		8,225	
Employee benefits		18,565	
Training expense		32	
Spare parts		1,136	
Professional service		3,559	
Commissioned processing fee		3,673	
Consumables expense		95,803	
Others expense		682,533	
Total		\$ 1,489,973	