Stock Code:2375

KAIMEI ELECTRONIC CORP.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024

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Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Representation Letter	3
4. Independent Auditors' Report	4
5. Consolidated Balance Sheets	5
6. Consolidated Statements of Comprehensive Income	6
7. Consolidated Statements of Changes in Equity	7
8. Consolidated Statements of Cash Flows	8
9. Notes to the Consolidated Financial Statements	
(1) Company history	9
(2) Approval date and procedures of the consolidated financial statements	9
(3) New standards, amendments and interpretations adopted	9～11
(4) Summary of material accounting policies	11～29
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	30
(6) Explanation of significant accounts	30～61
(7) Related-party transactions	61～65
(8) Pledged assets	65
(9) Commitments and contingencies	66
(10) Losses due to major disasters	66
(11) Subsequent events	66
(12) Other	66
(13) Other disclosures	
(a) Information on significant transactions	67～71
(b) Information on investees	72
(c) Information on investment in Mainland China	73～74
(14) Segment information	74～76

Representation Letter

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

Company name: KAIMEI ELECTRONIC CORP.
Chairman: RU, SHAO-PIN
Date: March 6, 2026

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Independent Auditors' Report

To the Board of Directors of KAIMEI ELECTRONIC CORP.:

Opinion

We have audited the consolidated financial statements of KAIMEI ELECTRONIC CORP. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

   Please refer to Note 4(o) and Note 6(r) for accounting policy and detailed disclosure of revenue, respectively.

   Description of key audit matter:

   Kaimei Electronics Co., Ltd. is a listed company serving public interests, and investors closely monitor its operating performance. The transaction terms stipulated in the purchase and sales agreements entered into by Kaimei Electronics Co., Ltd. and its subsidiaries with their customers affect whether the timing of revenue recognition complies with the accounting standards regarding the transfer of control to the customer. Accordingly, there is a risk of improper revenue recognition if control of the goods has not yet been transferred to the customer at the time revenue is recognized. Therefore, the testing of revenue recognition is one of the key audit matters in our audit of the consolidated financial statements of Kaimei Electronics Co., Ltd.

How the matter was addressed in our audit:

The primary audit procedures performed in response to the above key audit matter included obtaining an understanding of the major types of revenue, contract terms, and transaction conditions; assessing whether the timing of revenue recognition was appropriate; examining the major sales contracts of Kaimei Electronics Co., Ltd. and its subsidiaries; testing the internal controls related to shipment and revenue recognition processes; selecting shipments made by Kaimei Electronics Co., Ltd. and its subsidiaries during a specified period subsequent to the balance sheet date; and inspecting the relevant supporting documents and statements to determine whether the related revenue was recognized in the appropriate financial reporting period.

Other Matter

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Wang, I-Wen and Huang, Keng-Chia.

KPMG

Taipei, Taiwan (Republic of China)
March 6, 2026

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of 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 such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 1,593,072	11	771,192	5
1110	Current financial assets at fair value through profit or loss (note 6(b))	354,353	3	1,049,750	7
1120	Current financial assets at fair value through other comprehensive income (note 6(c))	-	-	957,027	6
1136	Current financial assets at amortized cost (note 6(d))	1,064,525	7	1,087,785	8
1150	Notes receivable, net (notes 6(e) and 6(r))	253,985	2	245,377	2
1170	Trade receivables, net (notes 6(e) and 6(r))	1,321,679	9	1,228,201	8
1180	Trade receivable due from related parties, net (notes 6(e), 6(r) and 7)	217,312	1	193,706	1
1200	Other receivables	1,748	-	5,857	-
1210	Other receivables due from related parties, net (note 7)	18	-	16	-
130X	Inventories (note 6(f))	1,490,041	10	1,418,272	10
1470	Other current assets	233,750	2	202,874	1
		6,530,483	45	7,160,057	48
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	575,856	4	-	-
1535	Non-current financial assets at amortized cost (note 6(d))	2,452,590	17	2,601,273	19
1550	Investments accounted for using equity method (notes 6(g) and 8)	2,491,279	17	2,429,174	16
1600	Property, plant and equipment (note 6(h))	1,977,259	14	2,140,013	15
1755	Right-of-use assets (note 6(i))	153,198	1	189,366	1
1821	Intangible assets	55,849	-	68,534	-
1840	Deferred tax assets (note 6(o))	193,683	1	200,549	1
1975	Net defined benefit asset, non-current (note 6(n))	3,942	-	2,853	-
1995	Other non-current assets, others (note 8)	121,153	1	64,535	-
		8,024,809	55	7,696,297	52
	Total assets	**$ 14,555,292**	**100**	**14,856,354**	**100**

		December 31, 2025		December 31, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(j))	$ 2,290,000	16	2,955,000	20
2110	Short-term notes and bills payable (note 6(j))	149,915	1	149,983	1
2120	Current financial liabilities at fair value through profit or loss (note 6(b))	425	-	4,814	-
2170	Trade payables	804,286	6	626,926	5
2180	Trade payable due to related parties (note 7)	3,075	-	2,693	-
2200	Other payables (note 6(l))	630,735	4	564,224	4
2220	Other payables due to related parties (note 7)	1,985	-	854	-
2230	Current tax liabilities	135,953	1	118,151	1
2250	Current provisions	13,736	-	12,764	-
2280	Current lease liabilities (notes 6(m) and 7)	25,688	-	38,139	-
2322	Long-term borrowings, current portion (note 6(k))	-	-	48,980	-
2399	Other current liabilities (note 6(r))	7,877	-	30,718	-
		4,063,675	28	4,553,246	31
	Non-current liabilities:				
2540	Long-term borrowings (note 6(k))	-	-	40,817	-
2550	Non-current provisions	3,119	-	13,576	-
2570	Deferred tax liabilities (note 6(o))	502,815	3	412,941	3
2580	Non-current lease liabilities (notes 6(m) and 7)	102,364	1	125,727	1
2640	Net defined benefit liability, non-current (note 6(n))	10,979	-	15,912	-
2670	Other non-current liabilities	1,104	-	1,056	-
		620,381	4	610,029	4
	Total liabilities	4,684,056	32	5,163,275	35
	Equity attributable to owners of parent (note 6(p)):				
3110	Ordinary shares	1,086,753	7	1,086,753	7
3200	Capital surplus	4,732,931	33	4,732,931	32
3300	Retained earnings	4,221,778	29	3,894,931	26
3400	Total other equity interest	(170,226)	(1)	(21,536)	-
	Total equity	9,871,236	68	9,693,079	65
	Total liabilities and equity	**$ 14,555,292**	**100**	**14,856,354**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenue** (notes 6(r) and 7)	$ 5,545,491	100	5,263,968	100
5000	**Operating costs** (notes 6(f), 6(h), 6(i), 6(n), 7 and 12)	4,435,636	80	4,275,856	81
5900	**Gross profit from operations**	1,109,855	20	988,112	19
6000	**Operating expenses** (notes 6(h), 6(i), 6(n), 6(s), 7 and 12):				
6100	Selling expenses	244,701	4	209,990	4
6200	Administrative expenses	322,383	6	320,048	6
6300	Research and development expenses	54,411	1	48,517	1
6450	Expected credit impairment loss (gain) (note 6(e))	(1,068)	-	(1,604)	-
		620,427	11	576,951	11
6900	**Net operating income**	489,428	9	411,161	8
7000	**Non-operating income and expenses** (notes 6(g), 6(h), 6(m), 6(t) and 7):				
7100	Interest income	146,189	3	154,269	3
7190	Other income	23,364	-	48,021	1
7020	Other gains and losses, net	(80,269)	(2)	13,659	-
7050	Finance costs	(48,952)	(1)	(66,490)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method	108,581	2	119,386	2
		148,913	2	268,845	5
7900	**Profit from continuing operations before tax**	638,341	11	680,006	13
7950	Income tax expenses (note 6(o))	233,083	4	185,299	4
8200	**Profit**	405,258	7	494,707	9
8300	**Other comprehensive income:**				
8310	**Items that will not be reclassified to profit or loss**				
8311	Remeasurements of defined benefit plans (note 6(n))	(2,431)	-	(463)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	(58,885)	(1)	38,340	1
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that may not be reclassified to profit or loss (note 6(g))	(344)	-	1,665	-
8349	Less: Income tax related to items that will not be reclassified to profit or loss (note 6(o))	(6,798)	-	6,220	-
		(54,862)	(1)	33,322	1
8360	**Items that may be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(5,532)	-	333,779	6
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that may be reclassified to profit or loss (note 6(g))	(4,801)	-	7,284	-
8399	Less: Income tax related to items that may be reclassified to profit or loss (note 6(o))	(1,107)	-	66,756	1
		(9,226)	-	274,307	5
8300	**Other comprehensive income(after tax, net)**	(64,088)	(1)	307,629	6
8500	**Total comprehensive income**	**$ 341,170**	**6**	**802,336**	**15**
	Earnings per share (note 6(q))				
9750	Basic earnings per share	**$**	**3.73**		**4.55**
9850	Diluted earnings per share	**$**	**3.72**		**4.54**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity interests			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity
Balance at January 1, 2024	$ 1,086,753	4,732,931	532,214	369,475	2,582,180	3,483,869	(393,492)	67,622	(325,870)	8,977,683
Profit for the year ended December 31, 2024	-	-	-	-	494,707	494,707	-	-	-	494,707
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	2,007	2,007	274,307	31,315	305,622	307,629
Total comprehensive income (loss)	-	-	-	-	496,714	496,714	274,307	31,315	305,622	802,336
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	26,638	-	(26,638)	-	-	-	-	-
Special reserve appropriated	-	-	-	(43,605)	43,605	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(86,940)	(86,940)	-	-	-	(86,940)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,288	1,288	-	(1,288)	(1,288)	-
Balance at December 31, 2024	1,086,753	4,732,931	558,852	325,870	3,010,209	3,894,931	(119,185)	97,649	(21,536)	9,693,079
Profit for the year ended December 31, 2025	-	-	-	-	405,258	405,258	-	-	-	405,258
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	(1,487)	(1,487)	(9,226)	(53,375)	(62,601)	(64,088)
Total comprehensive income	-	-	-	-	403,771	403,771	(9,226)	(53,375)	(62,601)	341,170
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	49,800	-	(49,800)	-	-	-	-	-
Special reserve appropriated	-	-	-	(304,334)	304,334	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(163,013)	(163,013)	-	-	-	(163,013)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	86,089	86,089	-	(86,089)	(86,089)	-
Balance at December 31, 2025	**$ 1,086,753**	**4,732,931**	**608,652**	**21,536**	**3,591,590**	**4,221,778**	**(128,411)**	**(41,815)**	**(170,226)**	**9,871,236**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from operating activities:		
Profit before tax	$ 638,341	680,006
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	392,044	400,285
Amortization expense	21,593	21,258
Reversal gain on expected credit impairment loss	(1,068)	(1,604)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(1,161)	75,739
Interest expense	48,952	66,490
Interest income	(146,189)	(154,269)
Dividend income	-	(28,342)
Share of profit of associates and joint ventures accounted for using equity method	(108,581)	(119,386)
Gain on disposal and retirement of property, plant and equipment	(1,346)	(1,781)
Total adjustments to reconcile profit (loss)	204,244	258,390
Changes in operating assets and liabilities:		
(Increase) decrease in notes receivable	(14,810)	(60,701)
(Increase) decrease in notes receivable	(8,595)	7,187
Increase in trade receivables	(93,245)	(166,889)
(Increase) decrease in trade receivables due from related parties	(23,606)	67,909
Decrease (increase) in other receivables	5,595	(767)
Increase in other receivables due from related parties	(2)	(4)
Increase in inventories	(71,769)	(78,807)
Decrease in other current assets	12,091	90,825
Increase in trade payables	177,360	73,215
Increase (decrease) in trade payables due to related parties	382	(1,646)
Increase in other payables	57,574	31,813
Increase (decrease) in other payables due to related parties	1,131	(253)
Decrease in provisions	(9,485)	(20,357)
(Decrease) increase in other current liabilities	(22,841)	9,566
Decrease in net defined benefit liability	(8,453)	(897)
Total changes in operating assets and liabilities	1,327	(49,806)
Cash inflow generated from operations	843,912	888,590
Interest received	96,832	207,860
Dividends received	42,524	62,361
Interest paid	(50,068)	(65,774)
Income taxes paid	(157,649)	(85,167)
Net cash flows from operating activities	775,551	1,007,870
Cash flows (used in) from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(614,158)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	936,444	7,160
Acquisition of financial assets at amortized cost	(2,660,378)	(1,934,089)
Proceeds from disposal of financial assets at amortized cost	2,836,503	2,113,482
Acquisition of financial assets at fair value through profit or loss	(1,260,619)	(2,007,825)
Proceeds from disposal of financial assets at fair value through profit or loss	1,946,470	1,599,599
Acquisition of investments accounted for using equity method	(1,193)	-
Acquisition of property, plant and equipment	(264,665)	(221,431)
Proceeds from disposal of property, plant and equipment	3,000	3,532
Increase in refundable deposits	(3,914)	(325)
Acquisition of intangible assets and others	(7,137)	(29,738)
Net cash flows from (used in) investing activities	910,353	(469,635)
Cash flows used in financing activities:		
Decrease in short-term borrowings	(665,000)	(129,000)
(Decrease) increase in short-term notes and bills payable	(68)	149,983
Repayments of long-term borrowings	(89,797)	(360,885)
(Decrease) increase in guarantee deposits received	48	35
Payment of lease liabilities	(35,274)	(36,202)
Cash dividends paid	(163,013)	(86,940)
Net cash flows used in financing activities	(953,104)	(463,009)
Effect of exchange rate changes on cash and cash equivalents	89,080	50,815
Net increase in cash and cash equivalents	821,880	126,041
Cash and cash equivalents at beginning of period	771,192	645,151
Cash and cash equivalents at end of period	**$ 1,593,072**	**771,192**

See accompanying notes to consolidated financial statements.

(1) Company history

KAIMEI ELECTRONIC CORP.(the “Company”), formerly known as TEAPO ELECTRONIC LTD. was established on September 11, 1978, by the approval of Ministry of Economic Affairs under the Company Law, the main business line is manufacture and sale of capacitors. For the principal business activities of each subsidiary, please refer to Note 4(b). The Company's ordinary shares were publicly listed on the Taiwan Stock Exchange on August 29, 1998.

Merging with G-Luxon Electronics Corp. on October 31, 2005 (the reference date of the merger) was approved by the resolution of the shareholders' meeting, and the Company was the surviving company. In 2019, the shareholders' meeting resolved to approve the Company merged with the former KAIMEI ELECTRONIC CORP. on September 30, 2019 (the reference date of the merger), and the Company was the surviving company. On October 28, 2019, the Company was renamed as KAIMEI ELECTRONIC CORP. subsequently, by the approval of Ministry of Economic Affairs.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on March 6, 2026.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

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

- Amendments to IAS21 “Lack of Exchangeability”

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

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

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

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 note:On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

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

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

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

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis.

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

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

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

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

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

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

			Percentage of ownership		
Name investor	**Name of investee**	**Scope of business**	**December 31, 2025**	**December 31, 2024**	**Description**
KAIMEI ELECTRONIC CORP.	TEAPO HOLDING BERMUDA LIMITED	Foreign business reinvestment	100.00 %	100.00 %	
KAIMEI ELECTRONIC CORP.	Teapo Electronic (HK) Ltd.	Import and export of electronic products	100.00 %	100.00 %	
KAIMEI ELECTRONIC CORP.	FORMOSA PROSONIC ELECTRONICS SDN. BHD.	Manufacture and sale of aluminum electrolytic capacitors	100.00 %	100.00 %	
KAIMEI ELECTRONIC CORP.	JAMICON INTERNATIONAL LIMITED	Import and sale of aluminum electrolytic capacitors	100.00 %	100.00 %	
KAIMEI ELECTRONIC CORP.	Ralec Electronic Corporation	Manufacture and sale of resistor, electronic parts, electronic materials and machine equipment	100.00 %	100.00 %	
KAIMEI ELECTRONIC CORP.	MYW Investment Limited	Reinvestment business	100.00 %	100.00 %	
TEAPO HOLDING BERMUDA LIMITED	Teapo Electronics (DongGuan) CO., LTD.	Manufacture and sale of capacitors	100.00 %	100.00 %	
JAMICON INTERNATIONAL LIMITED	SUZHOU KAIMEI ELECTRONIC CO., LTD.	Manufacture and sale of aluminum electrolytic capacitors	100.00 %	100.00 %	
Teapo Electronics (DongGuan) CO., LTD.	DONGGUAN TEAPO ELECTRONICS TECHNOLOGY	Import and sale of aluminum electrolytic capacitors and motor fans	100.00 %	- %	Notes 1、2、3
SUZHOU KAIMEI ELECTRONIC CO., LTD.	DONGGUAN TEAPO ELECTRONICS TECHNOLOGY	Import and sale of aluminum electrolytic capacitors and motor fans	- %	100.00 %	Notes 1、2、3
Ralec Electronic Corporation	Ralec Technology (HK) Limited	Foreign business reinvestment	100.00 %	100.00 %	
Ralec Electronic Corporation	ASJ HOLDINGS PTE. LTD.	Foreign business reinvestment	100.00 %	100.00 %	

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name investor	Name of investee	Scope of business	Percentage of ownership December 31, 2025	Percentage of ownership December 31, 2024	Description
Ralec Technology (HK) Limited	Ralec Technology (KUNSHAN) Co., Ltd	Manufacture and sales of chip resistors, capacitors and inductors	100.00 %	100.00 %	Note 4
Ralec Technology (HK) Limited	Ralec Trading (KUNSHAN) Co., Ltd	Sale of resistors, capacitors and inductors	100.00 %	100.00 %	
Ralec Technology (HK) Limited	Hunan Ralec Electronics Technology Co., Ltd	Manufacture and sales of chip resistors, capacitors and inductors	100.00 %	100.00 %	
ASJ HOLDINGS PTE. LTD.	ASJ PTE LTD	Sales of resistor	100.00 %	100.00 %	
ASJ HOLDINGS PTE. LTD.	ASJ Components (M) Sdn. Bhd.	Manufacture and sale of resistor and sale of electronic components	100.00 %	100.00 %	

Note 1: Dongguan Jamicon Electronics Co., Ltd. was renamed as Dongguan Teapo Electronics Technology Co., Ltd. on December 25, 2024.

Note 2: The Group holds 51% of the equity in Dongguan Teapo Electronics Technology Co., Ltd. in the name of a third party base on the agreement entered into by the Group and the third party, wherein it specified the rights and obligations of both parties to ensure the security of the assets.

Note 3: In January 2025, the Company underwent a corporate reorganization, transferring its shareholding in the subsidiary Dongguan Zhibao Electronics Technology Co., Ltd. from Suzhou Kaimei Electronics Co., Ltd. to its sub-subsidiary Zhibao Electronics (Dongguan) Co., Ltd.

Note 4: Wangding Technology (Kunshan) Co., Ltd. reduced its capital by USD 27,000 thousand in October 2025. The deregistration procedures have been completed, and the capital reduction refund is still pending.

(iii) Subsidiaries excluded from the consolidated financial statement: None.

(d) Foreign currencies

(i) Foreign currency transactions

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

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

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

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

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

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

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

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

(i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) It holds the asset primarily for the purpose of trading;

(iii) It expects to realize the asset within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

(i) It expects to settle the liability in its normal operating cycle;

(ii) It holds the liability primarily for the purpose of trading;

(iii) The liability is due to be settled within twelve months after the reporting period; or

(iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

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

(Continued)

(g) Financial instruments

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Fair value through other comprehensive income (FVOCI)

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

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

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

Dividend income derived from equity investments is recognized on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the exdividend date.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

· the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

· how the performance of the portfolio is evaluated and reported to the Group's management;

· the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

· how managers of the business are compensated ─ e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

(Continued)

· the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial assets on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

· contingent events that would change the amount or timing of cash flows;

· terms that may adjust the contractual coupon rate, including variable rate features;

· prepayment and extension features; and

· terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

6) Impairment of financial assets

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

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

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

(Continued)

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

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

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

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

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

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

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

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 180 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

(Continued)

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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

7) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

(Continued)

4) Financial liabilities

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

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

5) Derecognition of financial liabilities

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

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

6) Offsetting of financial assets and liabilities

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

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

(Continued)

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate’s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

(Continued)

Land is not depreciated.

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

1)	Buildings and construction	3~56 years
2)	Machinery and equipment	1~10 years
3)	Office and other facilities	1~10 years

Buildings and construction constitute mainly building, mechanical and electrical power equipment and its related facilities. Each such part depreciates based on its useful life.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

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

(i) As a leasee

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

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

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

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

— fixed payments; including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

(Continued)

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

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

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

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

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

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

(ii) As a leasor

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

(l) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1)	Computer software	1~5 years
2)	Patent and other intangible assets	3~10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

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

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

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

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

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

(n) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Warranties

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

(o) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(Continued)

(i) Sale of goods

The Group manufactures and sells capacitor, fan and resistor. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(ii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(p) Government grants

The Group recognizes an unconditional government grant as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(q) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

(Continued)

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

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

(iii) Short-term employee benefits

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

(r) Income taxes

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

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

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

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

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

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses) and does not give rise to equal taxable and deductible temporary differences;

(Continued)

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

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

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

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

(s) Business combination

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any noncontrolling interests in the acquiree either at fair value or at the noncontrolling interest’ s proportionate share of the acquiree’ s identifiable net assets, if the noncontrolling interests are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation. Other components of noncontrolling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

(Continued)

The Group did not use the acquisition method to deal with the business combination under the organizational restructuring, but adopted the book value method and regarded as a combination from the beginning.

The Group disposed of subsidiaries is an organizational restructuring within the group due to economic substance. The subsidiary is regarded as a derecognition from the beginning. The Group restated the consolidated financial statements for the year ended December 31, 2020. In preparing the consolidated balance sheet and consolidated statements of changes in equity, the equity from acquisition record as “Equity attributable to the subsequent owner of business combination under common control”; In preparing the consolidated statements of comprehensive income, the profit or loss belong to former controlling shareholders record as “profit or loss, attributable to the subsequent owner of business combination under common control”.

The Group acquired subsidiaries is an organizational restructuring within the group due to economic substance, which recognized the carrying amounts of subsidiary originally held by the seller. The subsidiary is regarded as a combination from the beginning. The Group restated the consolidated financial statements for the year ended December 31, 2020. In preparing the consolidated balance sheet and consolidated statements of changes in equity, the equity from acquisition record as “Equity attributable to former owner of business combination under common control”; In preparing the consolidated statements of comprehensive income, the profit or loss belong to former controlling shareholders record as “profit or loss, attributable to former owner of business combination under common control”.

(t) Earnings per share

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

(u) Operating segments

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

(Continued)

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements requires management to make judgments, estimates, about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) Judgment of whether the Group has substantive control over its investees

The Group was the largest shareholder of some of the investee companies during a specific period and obtained a directorship of the investee companies in May 2023. However, the Group has no control and significant influence over the abovementioned investee companies, therefore, the Group could not affect the relevant activities of the investee companies.

(b) Judgment regarding significant influence of investees

Before May 2025, the Company held less than 20% of the voting rights of Tongxin Industrial Electronics Co., Ltd. Although the board of directors of Tongxin Industrial Electronics Co., Ltd. comprised nine directors, two of whom represented the Company and its subsidiaries, the Company concluded that it had significant influence and therefore accounted for the investment using the equity method. Following the re-election of directors of Tongxin Industrial Electronics Co., Ltd. in May 2025, the Company continued to hold less than 20% of its voting rights. However, as the Company remained the single largest shareholder of Tongxin Industrial Electronics Co., Ltd., and as the representative of one of the directors of Tongxin Industrial Electronics Co., Ltd. was a member of the Company's management and concurrently served as the Company's president, the Company concluded that it continued to have significant influence and therefore continued to apply the equity method.

There are no critical judgments in applying the accounting policies that have significant effects on the amounts recognized in the consolidated financial statements.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and petty cash	$ 6,098	4,070
Demand deposits	948,860	475,835
Time deposits	638,114	291,287
	$ 1,593,072	**771,192**

(Continued)

The Group held time deposits with the interest rates of 1.4%~4% and 1.225%~4.75% as of December 31, 2025 and 2024, respectively.

Please refer to note 6(u) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

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

	December 31, 2025	December 31, 2024
Financial assets measured at fair value through profit or loss - Current		
Derivative instruments not used for hedging:		
Forward exchange contracts	$ 2,506	-
Hybrid contracts:		
Other financial instruments	351,847	1,049,750
	$ 354,353	1,049,750
Held-for-trading financial liabilities:		
Derivative instruments not used for hedging:		
Forward exchange contracts	$ 425	4,814

The Group uses derivative instruments to hedge foreign currency risk the Group is exposed to arising from its operating activities. The following derivative instruments not applied hedge accounting were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

	December 31, 2025		
	Amount (in thousands)	Currency	Maturity Date
Forward exchange contracts:			
Forward exchange contracts sold	USD 8,000 / NTD 251,789	USD/NTD	2026.01
Forward exchange contracts sold	USD 12,000 / CNY 84,339	USD/CNY	2026.01

	December 31, 2024		
	Amount (in thousands)	Currency	Maturity Date
Forward exchange contracts:			
Forward exchange contracts purchased	USD15,000 / NTD490,031	USD/NTD	2025.01
Forward exchange contracts sold	USD 26,000 / CNY 189,875	USD/CNY	2025.01

The market risk related to the financial instruments please refer to note 6(u).

As of December 31, 2025 and 2024, the Group did not provide any aforementioned financial assets as collaterals.

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

	December 31, 2025	December 31, 2024
Equity investments at fair value through other comprehensive income		
-Current		
Domestic listed common shares		
Taiwan Chinsan Electronic Industrial Co., Ltd.	$ -	957,027
-Non-current		
Domestic listed common shares		
Anpec Electronics Corporation	$ 575,856	-

(i) The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold not for the purpose of trading.

(ii) In 2025 and 2024, the Group disposed of its shares held in Taiwan Jinshan Electronic Industrial Co., Ltd. as a result of takeover offers for cash. The fair value of the shares disposed of amounted to $936,444 thousand and $7,160 thousand, respectively. The cumulative disposal gains amounted to $86,089 thousand and $1,288 thousand, respectively, which were transferred from other comprehensive income to retained earnings.

(iii) Please refer to note 6(u) for credit risk and price risk.

(iv) As of December 31, 2025 and 2024, the Group's financial assets measured at fair value through other comprehensive income were not pledged as collateral.

(d) Financial assets measured at amortized cost

	December 31, 2025	December 31, 2024
Current		
Time deposits with original maturity of more than three months and interest	$ 1,064,525	1,087,785
Non-current		
Time deposits with original maturity of more than one year and interest	$ 2,452,590	2,107,435
Foreign corporate bonds and interest	-	493,838
Total	$ 2,452,590	2,601,273

(i) The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

(Continued)

(ii) The Group held financial asset with the weighted average interest rates of 1.62%~4.65% and 1.90%~7.34% as of December 31, 2025 and 2024, respectively

(iii) For further credit risk information, please refers to note 6(u).

(iv) As of December 31, 2025 and 2024, the Financial assets measured at amortized costof the Group were not pledged as collateral.

(e) Notes and trade receivables (including related parties)

	December 31, 2025	December 31, 2024
Notes receivable from operating activities	$ 253,988	245,393
Trade receivables–measured as amortized cost	1,549,035	1,432,184
	1,803,023	1,677,577
Less: loss allowance	(10,047)	(10,293)
	$ 1,792,976	**1,667,284**

	December 31, 2025	December 31, 2024
Notes receivable, net	$ 253,985	245,377
Trade receivables, net	1,321,679	1,228,201
Trade receivables due from related parties, net	217,312	193,706
	$ 1,792,976	**1,667,284**

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

	December 31, 2025		
	Gross carrying amount (including related parties)	Weighted-average expected credit loss rate	Loss allowance
Current	$ 1,788,559	0.32%	5,790
1 to 30 days past due	9,388	2.77%	260
31 to 180 days past due	1,102	2.09%	23
More than 181 days past due	3,974	100.00%	3,974
	$ 1,803,023		**10,047**

	December 31, 2024			
		Gross carrying amount (including related parties)	Weighted-average expected credit loss rate	Loss allowance
Current	$	1,662,917	0.32%	5,328
1 to 30 days past due		8,447	1.55%	131
31 to 180 days past due		2,097	41.34%	867
More than 181 days past due		4,116	96.38%	3,967
	$	1,677,577		10,293

(ii) The movement in the allowance for notes and trade receivables were as follows:

		2025	2024
Balance at January 1	$	10,293	12,411
Reversal of impairment loss		(1,068)	(1,604)
Effect of movements in exchange rates		822	(514)
Balance at December 31	$	10,047	10,293

(iii) As of December 31, 2025 and 2024, the notes and trade receivables of the Group were not pledged as collateral.

(f) Inventories

(i) The details of inventories were as follows:

		December 31, 2025	December 31, 2024
Raw materials	$	352,637	395,339
Work in progress and semi-finished goods		506,482	515,539
Finished goods and merchandise		612,646	501,685
Goods in transit		18,276	5,709
	$	1,490,041	1,418,272

(ii) For the years ended December 31, 2025 and 2024, the cost of goods sold amounted to $4,435,636 and $4,275,856, respectively.

(iii) For the year 2025, the consolidated company recognized inventory write-down losses amounting to $48,423 thousand due to reducing inventory to net realizable value.For the year 2024, the consolidated company reversed inventory write-down losses and recorded a decrease in cost of goods sold of $32,112 thousand because the factors causing the net realizable value of inventory to fall below cost had ceased to exist as a result of the sale and disposal of obsolete inventory.

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) As of December 31, 2025 and 2024, the Group did not provide any inventories as collateral for its loans.

(g) Investments accounted for using equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2025	December 31, 2024
Associates	$ 2,491,279	2,429,174

(i) Associates which are material to the Group consisted of the followings:

Name of Associates	Nature of Relationship with the Group	Main operating location	Proportion of shareholding and voting rights December 31, 2025	Proportion of shareholding and voting rights December 31, 2024
Tong Hsing Electronic Industries, Ltd.	The major business is manufacture and sale of electronic products	Taiwan	6.78 %	6.78 %

The fair value of the shares of listed company based on the closing price was as follow:

	December 31, 2025	December 31, 2024
Tong Hsing Electronic Industries, Ltd.	$ 1,893,636	1,970,261

The following consolidated financial information of significant associates has been adjusted according to individually prepared IFRS financial statements of these associates:

Tong Hsing Electronic Industries, Ltd.	December 31, 2025	December 31, 2024
Current assets	$ 11,215,352	11,187,943
Non-current assets	23,140,123	23,427,636
Current liabilities	(4,185,350)	(4,887,570)
Non-current liabilities	(3,435,302)	(3,895,150)
Net assets	$ 26,734,823	25,832,859
Net assets attributable to owners of the investee company	$ 26,681,572	25,787,285
Net assets attributable to non-controlling interests	$ 53,251	45,574

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	2025	2024
Operating revenue	$ 11,543,456	12,090,994
Profit from continuing operations	1,601,398	1,718,449
Other comprehensive income	(75,302)	131,704
Total comprehensive income	$ 1,526,096	1,850,153
Comprehensive income, attributable to owners of the investee company	$ 1,521,461	1,845,804
Comprehensive income, attributable to non-controlling interests	$ 4,635	4,349

	2025	2024
Share of net assets of associates as of January 1	$ 1,750,674	1,656,358
Comprehensive income attributable to the Group	103,436	128,335
Current-period purchases	1,193	-
Dividends paid to the Group	(42,524)	(34,019)
Share of net assets of associates as of December 31	1,812,779	1,750,674
Add: goodwill	678,500	678,500
Carrying amounts of associates as of December 31	$ 2,491,279	2,429,174

As of December 31, 2025 and 2024, the details of investments accounted for using equity method pledged as collateral, please refer to note 8.

(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2025 and 2024, were as follows:

	Land	Building and construction	Machinery and equipment	Transportation equipment	Other facilities	Construction in progress and testing equipment	Total
Cost:							
Balance on January 1, 2025	$ 158,999	1,569,777	4,414,104	18,599	500,437	209	6,662,125
Additions	-	7,249	183,684	4,310	18,293	7,892	221,428
Disposal	-	(2,115)	(85,235)	(4,322)	(3,868)	-	(95,540)
Reclassifications	-	(1,103)	1,305	-	-	(202)	-
Effect of movements in exchange rates	(1,753)	(12,378)	(77,321)	(225)	(609)	288	(91,998)
Balance on December 31, 2025	$ 157,246	1,561,430	4,436,537	18,362	514,253	8,187	6,696,015
Balance on January 1, 2024	$ 156,307	1,391,686	3,965,915	15,746	939,948	1,104	6,470,706
Additions	-	15,884	126,136	5,643	16,774	208	164,645
Disposal	-	(443)	(120,256)	(3,316)	(4,113)	-	(128,128)
Reclassifications	-	115,566	304,891	-	(466,514)	(1,130)	(47,187)
Effect of movements in exchange rates	2,692	47,084	137,418	526	14,342	27	202,089
Balance on December 31, 2024	$ 158,999	1,569,777	4,414,104	18,599	500,437	209	6,662,125

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Land	Building and construction	Machinery and equipment	Transportation equipment	Other facilities	Construction in progress and testing equipment	Total
Depreciation and impairment loss:							
Balance on January 1, 2025	$ -	924,363	3,164,152	11,828	421,769	-	4,522,112
Depreciation	-	44,880	285,339	1,849	24,254	-	356,322
Disposal	-	(2,115)	(83,939)	(4,268)	(3,564)	-	(93,886)
Reclassifications	-	(42)	42	-	-	-	-
Effect of movements in exchange rates	-	(4,567)	(60,563)	(126)	(536)	-	(65,792)
Balance on December 31, 2025	**$ -**	**962,519**	**3,305,031**	**9,283**	**441,923**	**-**	**4,718,756**
Balance on January 1, 2024	$ -	771,475	2,750,574	13,147	690,377	-	4,225,573
Depreciation	-	47,677	289,379	1,460	25,399	-	363,915
Disposal	-	(421)	(118,693)	(3,171)	(4,092)	-	(126,377)
Reclassifications	-	83,738	175,054	-	(301,962)	-	(43,170)
Effect of movements in exchange rates	-	21,894	67,838	392	12,047	-	102,171
Balance on December 31, 2024	**$ -**	**924,363**	**3,164,152**	**11,828**	**421,769**	**-**	**4,522,112**
Balance on December 31, 2025	**$ 157,246**	**598,911**	**1,131,506**	**9,079**	**72,330**	**8,187**	**1,977,259**
Balance on January 1, 2024	**$ 156,307**	**620,211**	**1,215,341**	**2,599**	**249,571**	**1,104**	**2,245,133**
Balance on December 31, 2024	**$ 158,999**	**645,414**	**1,249,952**	**6,771**	**78,668**	**209**	**2,140,013**

As of December 31, 2025 and 2024, the aforesaid property, plant and equipment were not pledged as collateral.

(i) Right-of-use assets

	December 31, 2025	December 31, 2024
Carrying amount:		
Land	$ 93,588	98,037
Buildings and construction	57,132	85,489
Transportation equipment	2,478	5,840
Balance	**$ 153,198**	**189,366**

	2025	2024
Additions	**$ 181**	**102,702**
Disposal	**$ (48)**	**-**
Depreciation:		
Land	$ 4,642	4,792
Buildings and construction	27,718	28,358
Transportation equipment	3,362	3,220
	$ 35,722	**36,370**

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Short-term borrowings, notes and bills payable

(i) Short-term borrowings

	December 31, 2025	December 31, 2024
Unsecured bank loans	$ 2,290,000	2,635,000
Secured bank loans	-	320,000
Total	**$ 2,290,000**	**2,955,000**
Unused short-term credit lines	**$ 6,795,201**	**7,873,399**
Range of interest rates	**1.78%~2.025%**	**1.825%~2.137%**

(ii) Short-term notes and bills payable

	December 31, 2025	December 31, 2024
Short-term notes and bills payable	$ 150,000	150,000
Less: Discount on short-term notes and bills payable	(85)	(17)
	$ 149,915	**149,983**
Range of interest rates	**1.89%**	**2.038%**

(iii) For the collateral for secured bank loans, please refer to note 8.

(iv) For information on the Group's exposure to interest risk and liquidity risk, please refer to note 6(u).

(k) Long-term borrowings

The details were as follows:

	December 31, 2025	December 31, 2024
Secured bank loans	$ -	89,797
Less: current portion	-	(48,980)
	$ -	**40,817**
Range of interest rates		**1.625%~2.125%**
Unused long-term credit lines	**$ -**	**-**
Maturity year		2026.11

(i) The long-term borrowings as of December 31, 2024 guaranteed by Small and Medium Enterprise Credit Guarantee Fund of Taiwan and were the loans for returning overseas Taiwan Businesses.

(ii) For information on the Group's exposure to interest risk and liquidity risk, please refer to note 6(u).

(Continued)

(l) Other payables

	December 31, 2025	December 31, 2024
Payables for remuneration due to employee, directors and supervisors	$ 87,884	83,561
Payables for wages and bonus	167,443	153,841
Payables for purchase of equipment	71,981	51,711
Payables for union fund and others	303,427	275,111
	$ 630,735	564,224

(m) Lease liabilities

	December 31, 2025	December 31, 2024
Current	$ 25,688	38,139
Non-current	$ 102,364	125,727

For the maturity analysis, please refer to note 6(u).

The amounts recognized in profit or loss were as follows:

	2025	2024
Interest expenses on lease liabilities	$ 4,307	4,979
Expenses relating to short-term leases	$ 9,487	9,212
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 408	443

The amounts recognized in the statements of cash flows for the Group was as follows:

	2025	2024
Total cash outflow for leases	$ 49,476	50,836

(i) Real estate leases

The Group leases land and buildings for its office space and factories. The leases typically run for 3 to 50 years. At the end of the term of the lease, the Group has no preemption right of the land and buildings leased.

(ii) Other leases

The Group lease transportation equipment for a period of three years.

The Group also leases some buildings, structures, office equipment, and transportation equipment with lease terms of 1~4 years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(Continued)

(n) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	December 31, 2025	December 31, 2024
Present value of the defined benefit obligations	$ 46,901	47,153
Fair value of plan assets	(39,864)	(34,094)
Net defined benefit liabilities (assets)	**$ 7,037**	**13,059**
Net defined benefit assets	**$ 3,942**	**2,853**
Net defined benefit liabilities	**$ 10,979**	**15,912**

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

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to $39,864 as of December 31, 2025. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Group were as follows:

	2025	2024
Defined benefit obligations at January 1	$ 47,153	53,131
Current service costs and interest costs	719	777
Remeasurement gain	5,182	4,075
Benefits paid	(6,153)	(10,830)
Defined benefit obligation at December 31	**$ 46,901**	**47,153**

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Movements in fair value of defined benefit plan assets

The movements in fair value of defined benefit plan assets for the Group were as follows:

	2025	2024
Fair value of plan assets at January 1	$ (34,094)	(39,638)
Expected return on plan assets	(531)	(493)
Remeasurements gain	(2,751)	(3,612)
Contribution paid by the employer	(8,641)	(1,181)
Benefits paid	6,153	10,830
Fair value of plan assets at December 31	**$ (39,864)**	**(34,094)**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	2025	2024
Net interest of net liabilities for defined benefit obligations	**$ 188**	**284**
Operating cost	$ -	119
Operating expenses	188	165
	$ 188	**284**

5) Remeasurement values of net defined benefit liabilities recognized in other comprehensive income

The remeasurements in net defined benefit liabilities recognized in other comprehensive income were as follows:

	2025	2024
Cumulative amount at January 1	$ (57,602)	(58,065)
Recognized in current period	2,431	463
Cumulative amount at December 31	**$ (55,171)**	**(57,602)**

6) Actuarial assumptions

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

	December 31, 2025	December 31, 2024
Discount rate	1.30%~1.60%	1.50%~1.60%
Future salary increase rate	2.00%~2.25%	2.00%~2.25%

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date for the year ended 2025 is $1,152.

The weighted average lifetime of the defined benefits plans is 7~9.9 years.

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligations	
Actuarial assumptions	**Increase 0.25%**	**Decrease 0.25%**
December 31, 2025:		
Discount rate	(998)	1,032
Future salary increasing rate	982	(954)
December 31, 2024:		
Discount rate	(1,060)	1,097
Future salary increasing rate	1,045	(1,014)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2025 and 2024.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $13,148 and $11,959 for the years ended December 31, 2025 and 2024, respectively.

Subsidiaries in China shall comply with the regulations stipulated by the Mainland China Government to contribute monthly retirement annuity funds, based on a specific percentage of authorized employees' payroll. For the years ended December 31, 2025 and 2024, the retirement annuity funds amounted to $46,817 and $43,153, respectively.

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Income taxes

(i) The components of income tax in the years 2025 and 2024 were as follows:

	2025	2024
Current tax expense		
Current period	$ 135,912	116,299
Adjustment for prior periods	(3,428)	(29)
	132,484	116,270
Deferred tax expense		
Origination and reversal of temporary differences	100,599	69,029
Income tax expenses	$ 233,083	185,299

(ii) The amount of income tax recognized in other comprehensive income for 2025 and 2024 was as follows:

	2025	2024
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	$ (486)	(92)
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	(6,312)	6,312
	$ (6,798)	6,220
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	$ (1,107)	66,756

(iii) Reconciliation of income tax and profit before tax for 2025 and 2024 is as follows:

	2025	2024
Profit before income tax	$ 638,341	680,006
Income tax using the Company's and each subsidiaries' domestic tax rate	190,308	202,970
Non-deductible expenses	1,448	199
Investment tax credits	(3,693)	-
Estimated tax effect of tax exemption on investment income, net	(31,342)	(36,414)
Change in unrecognized temporary differences	14	7,930
Additional tax on undistributed earnings	29,476	9,821
Adjustment for prior periods	(3,428)	(29)
Income tax liabilities on repatriation of earnings	47,752	-
Others	2,548	822
	$ 233,083	185,299

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2025 and 2024. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2025	December 31, 2024
Aggregate amount of temporary differences related to investments in subsidiaries	$ 4,065,007	4,033,816
Unrecognized deferred tax liabilities	$ 813,001	806,763

2) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2025	December 31, 2024
Tax effect of deductible temporary differences	$ 2,253	2,239

The Group assesses and considers that some of the income tax reduction items may be unrealized, hence they are not recognized as deferred tax assets.

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2025 and 2024 were as follows:

	Defined benefit plans	Exchange differences on translation of foreign financial statements	The carryforward of unused tax losses	Property, plant and equipment	Unrealized gains	Investment tax credit	Others	Total
Deferred tax assets:								
Balance at January 1, 2025	$ 17,772	-	24,175	-	14,886	107,338	36,378	200,549
Recognized in profit or loss	(110)	-	(2,452)	-	(3,703)	-	2,854	(3,411)
Recognized in other comprehensive income	591	-	-	-	-	-	-	591
Effects of movements in exchange rates	-	-	5	-	(10)	(4,436)	395	(4,046)
Balance at December 31, 2025	$ 18,253	-	21,728	-	11,173	102,902	39,627	193,683
Balance at January 1, 2024	$ 17,563	40,574	24,717	4,691	16,688	100,529	33,032	237,794
Recognized in profit or loss	(101)	-	(1,397)	(4,829)	(1,914)		2,343	(5,898)
Recognized in other comprehensive income	310	(40,574)	-	-	-	-	-	(40,264)
Effects of movements in exchange rates	-	-	855	138	112	6,809	1,003	8,917
Balance at December 31, 2024	$ 17,772	-	24,175	-	14,886	107,338	36,378	200,549

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		Actuarial gain or loss	Exchange differences on translation of foreign financial statements	Gains on foreign investments	Property, plant and equipment	Gain on bargain purchase	Unrealized exchange gains and others	Total
Deferred tax liabilities:								
Balance at January 1, 2025	$	881	27,885	312,670	4,360	15,295	51,850	412,941
Recognized in profit or loss		-	-	99,001	3,387	-	(5,200)	97,188
Recognized in other comprehensive income		105	(1,107)	-	-	-	(6,312)	(7,314)
Balance at December 31, 2025	$	**986**	**26,778**	**411,671**	**7,747**	**15,295**	**40,338**	**502,815**
Balance at January 1, 2024	$	663	1,703	260,429	-	15,295	39,008	317,098
Recognized in profit or loss		-	-	52,241	4,360	-	6,530	63,131
Recognized in other comprehensive income		218	26,182	-	-	-	6,312	32,712
Balance at December 31, 2024	$	**881**	**27,885**	**312,670**	**4,360**	**15,295**	**51,850**	**412,941**

(v) As of December 31, 2023, the income tax returns of MYW Investment Limited and Ralec Electronic Corporation, and as of December 31, 2022, those of the Company, have been assessed by the tax authorities.

(p) Capital and other equity

(i) Ordinary shares

As of December 31, 2025 and 2024, the Company's authorized share capital amounted to $5,700,000; divided into 570,000 thousand shares with par value of $10 per share. As of December 31, 2025 and 2024, the Company has issued both $108,675 thousand shares, all issued shares were paid up upon issuance.

(ii) Capital surplus

The balances of capital surplus were as follows:

		December 31, 2025	December 31, 2024
Additional paid-in capital	$	4,002,693	4,002,693
Donation from shareholders		423	423
Changes in equity of associates and joint ventures accounted for using equity method		421,904	421,904
Changes in ownership interests in subsidiaries		203,995	203,995
Employee share options		696	696
Treasury share transactions		89,593	89,593
Others		13,627	13,627
	$	**4,732,931**	**4,732,931**

(Continued)

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

(iii) Retained earnings

Set aside 10% of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital of the company, this provision shall not apply. The special surplus reserve shall be withdrawn or reversed according to appropriate laws and regulations. If there is any surplus, together with any undistributed surplus in previous years, the board of directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting for resolution. However, when a proposal for the distribution of dividends or bonuses in the form of cash in whole or in part is to be made, it shall be distributed by the board of directors with the presence of more than two-thirds of the directors and a resolution with more than half of the directors who attended and reported at the shareholders'meeting.

The Company's dividend distribution policy shall take shareholders' interests into consideration, and take into account the company's current and future domestic and international industry competition environment, investment environment, and capital needs, and authorize the board of directors to properly formulate distribution ratios for cash and stock dividends. The board of directors should also draw up a distribution plan and establish a resolution according to legal requirements.

In the absence of a loss, the Company may, by a resolution of the board of directors attended by more than two-thirds of the directors and approved by more than one-half of the directors who attended, distribute a sum of all or part of the statutory surplus reserve and the capital reserve required under Paragraph 1, Article 241 of the Companies Act in cash in proportion to the existing shares of the shareholders and report this at the shareholders' meeting.

The Company may distribute earnings or make up losses after the end of every half of each accounting year. When the Company distributes the earnings for the first half of the fiscal year in accordance with the provisions of the preceding paragraph, it shall first estimate and retain the amount of tax payable, compensation of losses, employee compensation and provision for surplus reserve. However, this restriction does not apply when the legal reserve amounts to the paid-in capital.

Proposals for the distribution of surplus or the appropriation of deficit shall be submitted to the board of directors for approval, after a review of the operating position and cash flow together with the business report and financial statements by the Audit Committee. If the distribution of surplus is to be made by way of new shares, the board of directors shall, in accordance with the provisions of Article 240 of the Companies Act, submit it to the shareholders' meeting for resolution.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

A portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified to special reserve shall be a portion of current-period earnings plus other line items in the retained earnings movements and undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. The balance of special reserve amounted to $21,536 and $325,870 as of December 31, 2025 and 2024, respectively.

3) Earnings distribution

Earnings distribution for 2024 and 2023 was decided by the resolution adopted, at the meeting of the Board of Directors held on March 3, 2025 and March 12, 2024, respectively. The relevant dividend distributions to shareholders were as follows:

	2024		2023	
	Amount per share (NTD)	**Total amount**	**Amount per share (NTD)**	**Total amount**
Dividends distributed to ordinary shareholders				
Cash	$ 1.5	163,013	0.8	86,940

On March 6, 2026, the Company's Board of Directors resolved to appropriate the 2025 earnings. These earnings were appropriated as follows:

	2025	
	Amount per share (NTD)	**Total amount**
Dividends distributed to ordinary shareholders		
Cash	$ 1.2	130,410

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Earnings per share

The details on the calculation of basic earnings per share and diluted earnings per share were as follows:

	2025	2024
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	$ **405,258**	**494,707**
Weighted average number of ordinary shares		
(in thousands of shares)	**108,675**	**108,675**
	$ **3.73**	**4.55**
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company		
(diluted is the same as basic)	$ **405,258**	**494,707**
Weighted average number of ordinary shares (basic)		
(in thousands of shares)	108,675	108,675
Effect of dilutive potential ordinary shares		
Effect of employee remuneration	173	295
Weighted average number of ordinary shares (diluted)		
(in thousands of shares)	**108,848**	**108,970**
	$ **3.72**	**4.54**

(r) Revenue from contracts with customers

(i) Details of revenue

	2025	2024
Primary geographical markets:		
Hong Kong and China	$ 3,522,496	3,484,281
Taiwan and other Asia Pacific regions	1,458,818	1,270,720
Europe	460,023	425,805
Americas	103,405	82,463
Others	749	699
	$ **5,545,491**	**5,263,968**
Major products:		
Capacitor	$ 2,179,968	2,257,686
Resistor	2,789,936	2,481,295
Fan	570,551	519,933
Others	5,036	5,054
	$ **5,545,491**	**5,263,968**

(Continued)

(ii) Contract balances

		December 31, 2025	December 31, 2024	January 1, 2024
Notes and trade receivables (including related parties)	$	1,803,023	1,677,577	1,585,784
Less: loss allowance		(10,047)	(10,293)	(12,411)
	$	**1,792,976**	**1,667,284**	**1,573,373**
Contract liabilities (classified under other current liabilities)	$	**5,471**	**20,712**	**2,980**

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

The amount of revenue recognized for the years ended December 31, 2025 and 2024 that was included in the contract liabilities (classified under other current liabilities) balance at the beginning of the period were $20,712 and $2,980, respectively.

(s) Employee, directors' and supervisors' remuneration

Pursuant to the resolution of the shareholders’ meeting held on May 23, 2025, the Company amended its articles of incorporation. In accordance with the amended articles, when the Company has profits for the year (defined as profit before tax less employee remuneration and directors’ remuneration), the Company shall appropriate no less than 0.2% of such profits as employee remuneration and no more than 4% as directors’ remuneration. Of the employee remuneration, no less than 0.2% shall be allocated to remuneration for non-management employees. The proposals for the distribution of employee remuneration and directors’ remuneration shall be reported to the shareholders’ meeting. However, if the Company has accumulated deficits, the profits shall first be reserved to offset such deficits. Employee remuneration shall be distributed in the form of shares or cash, and the recipients may include employees of the Company's subsidiaries who meet certain conditions. The method of distribution of employee remuneration shall be determined by the board of directors.Prior to the amendment, the articles of incorporation stipulated that when the Company has profits for the year (defined as profit before tax less employee remuneration and directors’ remuneration), the Company shall appropriate no less than 0.2% of such profits as employee remuneration and no more than 4% as directors’ remuneration. The proposals for the distribution of employee remuneration and directors’ remuneration shall be reported to the shareholders’ meeting. However, if the Company has accumulated deficits, the profits shall first be reserved to offset such deficits. Employee remuneration shall be distributed in the form of shares or cash, and the recipients may include employees of the Company's subsidiaries who meet certain conditions. The method of distribution of employee remuneration shall be determined by the board of directors.

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024, the Company estimated employee remuneration amounts of $11,450 thousand and $18,182 thousand, respectively, and directors' and supervisors' remuneration amounts of $21,456 thousand and $25,246 thousand, respectively. Such estimated amounts were calculated based on the profit before tax of each respective period, excluding employee remuneration and directors' and supervisors' remuneration, multiplied by the percentages of remuneration proposed by the management, and were recognized as operating expenses for the years ended December 31, 2025 and 2024. All such remunerations were paid in cash. Relevant information is available on the Market Observation Post System. The amounts of employee remuneration and directors' and supervisors' remuneration resolved by the board of directors were identical to the amounts estimated and recognized in the Company's consolidated financial statements for the years ended December 31, 2025 and 2024.

(t) Other gains and losses

(i) Other income

		2025	2024
Dividend income		-	28,342
Directors' remuneration	$	9,062	6,129
Others		14,302	13,550
	$	**23,364**	**48,021**

(ii) Other gains and losses

		2025	2024
Foreign exchange gains (losses), net	$	(78,587)	87,215
(Loss) gain on financial assets at fair value through profit or loss		1,161	(75,739)
Others		(2,843)	2,183
Other gains and losses, net	**$**	**(80,269)**	**13,659**

(u) Financial instruments

(i) Credit risk

1) Credit risk exposure

A credit risk is the risk of having financial losses arising from counterparties failing to meet their required contract obligation. As at reporting date, the Group's exposure to credit risk and the maximum exposure were mainly from:

a) The carrying amount of financial assets and contract assets recognized in the consolidated balance sheet; and

b) The maximum amount that the Group may pay if it provides financial guarantees, regardless of the likelihood of occurrence.

2) Concentration of credit risk

Except for the Group's largest customer, Guoying Industrial Technology (Shenzhen) Co., Ltd., the Group does not have any significant credit risk exposure to any single customer or any group of counterparties with similar characteristics. When counterparties are related or affiliated, the Group considers them as having similar characteristics.For the years 2025 and 2024, the accounts receivable and total accounts receivable from Guoying Industrial Technology (Shenzhen) Co., Ltd. accounted for 12% and 11%, respectively.

3) Credit risk exposure of notes and trade receivables

Other financial assets at amortized cost include other receivables and time deposits.

All of these financial assets are considered to be low risk, and thus the impairment provision recognized during the period was limited to 12-months expected losses. (Please refer to note 4(g) for the Group determines whether credit risk is to be low risk).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	Over 2 years
December 31, 2025					
Non derivative financial liabilities					
Interest-free liabilities	$ 1,441,185	(1,441,185)	(1,440,081)	-	(1,104)
Lease liabilities	128,052	(162,984)	(29,460)	(23,972)	(109,552)
Floating rate instruments	322,000	(323,372)	(323,372)	-	-
Fixed rate instruments	2,117,915	(2,120,882)	(2,120,882)	-	-
Derivative financial liabilities					
Forward exchange contracts:	425				
Outflow		(125,720)	(125,720)	-	-
Inflow		125,460	125,460	-	-
	$ 4,009,577	**(4,048,683)**	**(3,914,055)**	**(23,972)**	**(110,656)**
December 31, 2024					
Non derivative financial liabilities					
Interest-free liabilities	$ 1,195,753	(1,195,753)	(1,194,697)	-	(1,056)
Lease liabilities	163,866	(203,031)	(42,577)	(27,369)	(133,085)
Floating rate instruments	939,797	(942,542)	(901,401)	(41,141)	-
Fixed rate instruments	2,254,983	(2,257,537)	(2,257,537)	-	-
Derivative financial liabilities					
Forward exchange contracts:	4,814				
Outflow		(1,344,185)	(1,344,185)	-	-
Inflow		1,340,291	1,340,291	-	-
	$ 4,559,213	**(4,602,757)**	**(4,400,106)**	**(68,510)**	**(134,141)**

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	December 31, 2025			December 31, 2024		
(in thousand)	**Foreign currency**	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**
Financial assets						
Monetary items						
USD	$ 48,674	USD/NTD =31.430	1,529,836	54,145	USD/NTD =32.785	1,775,143
USD	48,634	USD/CNY =6.991	1,528,558	44,416	USD/CNY =7.321	1,456,183
USD	21,473	USD/HKD =7.784	674,899	13,227	USD/HKD =7.765	433,649
Financial liabilities						
Monetary items						
USD	34,128	USD/NTD =31.430	1,072,648	30,818	USD/NTD =32.785	1,010,356
USD	11,892	USD/CNY =6.991	373,776	12,244	USD/CNY =7.321	401,429
USD	17,898	USD/HKD =7.784	562,525	9,829	USD/HKD =7.765	322,259

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and trade receivables (including related parties), other receivables (including related parties), notes and trade payables (including related parties), other payables (including related parties) and borrowings that are denominated in foreign currency.

A strengthening (weakening) of 5% of the USD against the NTD, USD against the CNY, and USD against the HKD as of December 31, 2025 and 2024 would have increased (decreased) the net profit before tax as follows. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for 2025 and 2024.

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2025	December 31, 2024
USD(against to NTD)		
Strengthening 5%	$ 22,859	38,239
Weakening 5%	(22,859)	(38,239)
USD(against to CNY)		
Strengthening 5%	57,739	52,738
Weakening 5%	(57,739)	(52,738)
USD(against to HKD)		
Strengthening 5%	5,619	5,570
Weakening 5%	(5,619)	(5,570)

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2025 and 2024, foreign exchange gain (including realized and unrealized portions) amounted to $78,587 and $87,215, respectively.

(iv) Interest rate analysis

The Group's exposure to interest rate risk arising from financial assets and liabilities was as follows:

	Book value	
	December 31, 2025	December 31, 2024
Variable rate instruments:		
Financial assets	$ 948,860	475,835
Financial liabilities	(322,000)	(939,797)
	$ 626,860	(463,962)

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

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 0.25%, the Group's net income before tax would have increased / decreased by $1,567 and $1,160 for 2025 and 2024, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing and demand deposits at variable rates.

(Continued)

(v) Other market price risk

If the equity price changes, the impact of equity price change to other comprehensive income will be as follows, assuming the analysis is based on the same basis for both years and assuming that all other variables considered in the analysis remain the same:

	2025		2024	
	Other comprehensive income before tax	**Profit or loss before tax**	**Other comprehensive income before tax**	**Profit or loss before tax**
5% increase	$ **28,793**	**-**	**47,851**	**-**
5% decrease	$ **(28,793)**	**-**	**(47,851)**	**-**

(vi) Fair value of financial instruments

1) Categories of financial instruments and fair value hierarchy

The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required.

	December 31, 2025				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Derivative financial assets	$ 2,506	-	2,506	-	2,506
Financial products	351,847	-	351,847	-	351,847
Subtotal	354,353				
Financial assets at fair value through other comprehensive income					
Domestic listed common shares	575,856	575,856	-	-	575,856

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2025				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	1,593,072	-	-	-	-
Notes and trade receivables (including related parties)	1,792,976	-	-	-	-
Time deposits with original maturity of more than three months	1,064,525	-	-	-	-
Time deposits with original maturity of more than one year	2,452,590	-	-	-	-
Other receivables (including relatedparties)	1,766	-	-	-	-
Guarantee deposits paid (classified under other non-current assets)	8,077	-	-	-	-
Total	**$ 7,843,215**				
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	$ 425	-	425	-	425
Financial liabilities at amortized cost					
Short-term borrowings	$ 2,290,000	-	-	-	-
Short-term notes and bills payable	149,915	-	-	-	-
Trade payables (including related parties)	807,361	-	-	-	-
Other payables (including related parties)	632,720	-	-	-	-
Lease liabilities	128,052	-	-	-	-
Guarantee deposits received (classified under other non-current liabilities)	1,104	-	-	-	-
	$ 4,009,577				

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Financial products	$ 1,049,750	-	1,049,750	-	1,049,750
Financial assets at fair value through other comprehensive income					
Domestic listed common shares	957,027	957,027	-	-	957,027
Financial assets measured at amortized cost					
Cash and cash equivalents	771,192	-	-	-	-
Notes and trade receivables (including related parties)	1,667,284	-	-	-	-
Foreign corporate bonds	493,838	-	-	-	-
Time deposits with original maturity of more than three months	1,087,785	-	-	-	-
Time deposits with original maturity of more than one year	2,107,435	-	-	-	-
Other receivables (including related parties)	5,873	-	-	-	-
Guarantee deposits paid (classified under other non-current assets)	4,163	-	-	-	-
Total	**$ 8,144,347**				
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	$ 4,814	-	4,814	-	4,814

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Short-term borrowings	$ 2,955,000	-	-	-	-
Short-term notes and bills payable	149,983	-	-	-	-
Long-term borrowings (including current portion)	89,797	-	-	-	-
Trade payables (including related parties)	629,619	-	-	-	-
Other payables (including related parties)	565,078	-	-	-	-
Lease liabilities	163,866	-	-	-	-
Guarantee deposits received (classified under other non-current liabilities)	1,056	-	-	-	-
	$ 4,559,213				

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

The Group's management considered that the disclosed carrying amounts of financial assets and liabilities measured at amortized cost approximated their fair values.

3) Valuation techniques for financial instruments measured at fair value

a) Financial assets and liabilities with standard terms and conditions and traded in an active market, for example, investment in stock of listed companies and corporate bonds, the fair value is based on the market quoted price.

b) When a stock is not listed and there is no open offer in the active market, the fair value is estimated using the net worth per share method, the P/E method and the stock price ratio method.

c) The fair value of derivative instruments and structured deposit is based on quoted prices. When a public offer is not available, an evaluation approach is used to estimate that the estimates and assumptions used are based on the quoted information of financial institutions or on a binomial tree pricing model that is widely accepted by market users.

d) The fair value of other financial assets and financial liabilities other than the above is determined in accordance with the generally accepted pricing model based on discounted cash flows analysis.

(Continued)

4) There was no transfer between the different levels of fair value hierarchy for the years ended December 31, 2025 and 2024.

(v) Financial risk management

(i) Overview

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

1) credit risk

2) liquidity risk

3) market risk

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

(ii) Structure of risk management

The Group's financial risk management policies are established to identify and analyze the financial risks faced by the Group, to assess the impact of financial risk and implement policies related to mitigating financial risk. Financial risk management policies are reviewed regularly to reflect changes in market conditions and the Group's operations. The Group, through internal controls such as training, management standards, and operational procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation. Internal auditors assist in the role of supervisory. Internal auditor undertakes both regular and ad hoc reviews of financial risk management controls and procedures, the results of which are reported to the board of directors.

(iii) Credit risk

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

1) Trade and other receivables

The Group established a credit policy to obtain the necessary collateral to mitigate risks arising from financial loss due to default risk. The Group will transact with corporations having credit ratings equivalent to investment grade, and such ratings are provided by independent rating agencies. Where it is not possible to obtain such information, the Group will assess the ratings based on other publicly available financial information and records of transactions with its major customers. The Group continuously monitors the exposure to credit risk and counterparty credit ratings, and establish sales limits based on credit rating for each of its approved customer. The credit limits for each counterparty are approved and reviewed annually by the finance department.

(Continued)

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. Refer to note 13(a)(ii) for information about endorsements or guarantees provided by the Group as of December 31, 2025.

(iv) Liquidity risk

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2025 and 2024, the Group's unused credit line please refer to notes 6(j) and 6(k).

(v) Market risk

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

1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the USD.

2) Interest rate risk

The Group borrows funds on fixed and variable interest rates, which has a risk exposure to cash flow.

3) Other market price risk

The Group resulted in an exposure to equity prices due to open funds and stock investments of listed companies whose fair value is measured through open quotations.

(w) Capital management

Through clear understanding and managing of significant changes in external environment, related industry characteristics, and corporate growth plan, the Group manages its capital structure to ensure it has sufficient financial resources to sustain proper liquidity, to invest in capital expenditures and research and development expenses, to repay debts and to distribute dividends in accordance to its plan. The management uses the appropriate total liability/equity ratio to determine the optimal capital for the merger. The management pursues the most suitable capital structure by monitoring and maintaining proper financial ratios as below. The Group aims to enhance the returns of its shareholders through achieving an optimized debt-to-equity ratio from time to time. The Group's liability-to-equity ratio at the end of each reporting period was as follows:

	December 31, 2025	December 31, 2024
Total liabilities	$ 4,684,056	5,163,275
Total equity	9,871,236	9,693,079
Debt-to-equity ratio	47 %	53 %

As of December 31, 2025, the debt-to-equity ratio decreased, primarily due to sufficient cash levels during the current period, which resulted in a reduction in borrowings.

(x) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2025 and 2024, were acquisition of right-of-use assets by leasing. Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes			
	January 1, 2025	Cash flow	Increase	Decrease	Foreign exchange movement	December 31, 2025
Short-term borrowings	$ 2,955,000	(665,000)	-	-	-	2,290,000
Short-term notes and bills payable	149,983	(68)	-	-	-	149,915
Long-term borrowings (including current portion)	89,797	(89,797)	-	-	-	-
Lease liabilities	163,866	(35,274)	181	(48)	(673)	128,052
Guarantee deposits received	1,056	48	-	-	-	1,104
Total liabilities from financing activities	$ 3,359,702	(790,091)	181	(48)	(673)	2,569,071

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	January 1, 2024	Cash flow	Non-cash changes: Increase	Non-cash changes: Decrease	Non-cash changes: Foreign exchange movement	December 31, 2024
Short-term borrowings	$ 3,084,000	(129,000)	-	-	-	2,955,000
Short-term notes and bills payable	-	149,983	-	-	-	149,983
Long-term borrowings (including current portion)	450,682	(360,885)	-	-	-	89,797
Lease liabilities	93,944	(36,202)	102,702	-	3,422	163,866
Guarantee deposits received	1,021	35	-	-	-	1,056
Total liabilities from financing activities	$ 3,629,647	(376,069)	102,702	-	3,422	3,359,702

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Yageo Corporation	The entity with significant influence over the Group
Yageo (Suzhou) Trade Co., Ltd.	The subsidiary of the entity with significant influence over the Group
Yageo Electronics (China) Co., Ltd.	The subsidiary of the entity with significant influence over the Group
Yageo Electronics (Dongguan) Co., Ltd.	The subsidiary of the entity with significant influence over the Group
Ko-E Electronics Trade Co., Ltd.	The subsidiary of the entity with significant influence over the Group
Ko-E Component Co., Ltd.	The subsidiary of the entity with significant influence over the Group
Ko-E (H.K.) Limited	The subsidiary of the entity with significant influence over the Group
Ko-E (Shenzhen) Corporation	The subsidiary of the entity with significant influence over the Group
Kemet Electronics Corporation	The subsidiary of the entity with significant influence over the Group
Yageo Corporation (South Asia)	The subsidiary of the entity with significant influence over the Group

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of related party	Relationship with the Group
Chilisin Electronics Crop.	The subsidiary of the entity with significant influence over the Group
Hsin Bung International Co., Ltd.	Substantial related party
Yageo Professional Competition Development Association	Substantial related party
Yageo Foundation	Substantial related party
ABCO ELECTRONICS CO., Ltd.	Substantial related party (Note)
Tong Hsing Electronic Industries, Ltd.	Associates
Relatives within the third degree of kinship of management	Substantial related party

Note: From April, 2024, this entity is no longer considered as a related party.

(b) Significant transactions with related parties

(i) Operating revenue

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

	2025	2024
The entities with significant influence over the Group	$ 5,865	7,672
Subsidiary of entities with significant influence over the Group-Ko-E (Shenzhen)	548,567	546,711
The subsidiaries of the entity with significant influence over the Group	130,533	103,308
Substantial related parties	-	74,572
	$ 684,965	**732,263**

The price of goods the Group sold to the related parties was determined by negotiation between both parties and the terms of the receipt were processed on a monthly basis, without any significant difference from the third-party customers.

(ii) Purchases

The amounts of significant purchases by the Group from related parties were as follows:

	2025	2024
The entities with significant influence over the Group	$ 2,734	3,408
The subsidiaries of the entity with significant influence over the Group	4,904	5,470
	$ 7,638	**8,878**

The price of goods the Group purchase from the related parties was determined by negotiation between both parties and there is no material difference between the terms of the transaction and the third-party customers.

(iii) Receivables due from related parties

The receivables due from related parties were as follows:

Account	Relationship	December 31, 2025	December 31, 2024
Trade receivables	The entities with significant influence over the Group	$ 728	4,436
Trade receivables	The subsidiaries of the entity with significant influence over the Group-Ko-E (Shenzhen)	181,915	156,963
Trade receivables	Other subsidiaries of the entity with significant influence over the Group	34,669	32,307
Other receivables	The subsidiaries of the entity with significant influence over the Group	18	16
		$ 217,330	**193,722**

Trade receivable due from related parties were uncollateralized; other receivables were sample income and others receivable from related parties.

(iv) Payables due to related parties

Account	Relationship	December 31, 2025	December 31, 2024
Trade payables	The entities with significant influence over the Group	$ 910	518
Trade payables	The subsidiaries of the entity with significant influence over the Group	2,165	2,175
Other payables	The entities with significant influence over the Group	1,722	257
Other payables	The subsidiaries of the entity with significant influence over the Group	263	597
		$ 5,060	**3,547**

Other payables were utilities payable to the related parties.

(v) Property transactions-Acquisition of other intangible assets

The consideration for other intangible assets acquired by the Group from related parties is summarized as follows:

	2025	2024
The entities with significant influence over the Group	**$ 1,100**	**-**

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Leases

Account	Relationship	December 31, 2025	December 31, 2024
Lease liabilities	The entities with significant influence over the Group	$ -	82
Lease liabilities	The subsidiary of the entity with significant influence over the Group - Yageo Electronics (Dongguan) Co., Ltd.	113,682	133,622
		$ 113,682	**133,704**

Relationship	2025	2024
Interest expenses		
The entities with significant influence over the Group	$ 4	3
The subsidiaries of the entity with significant influence over the Group	3,763	4,307
	$ 3,767	**4,310**
Lease payment		
The entities with significant influence over the Group	$ 33	197
The subsidiaries of the entity with significant influence over the Group	23,764	24,359
	$ 23,797	**24,556**

For the use of plant of Teapo Electronics (Dongguan) CO.,LTD., the Group leased right-of-use of land from Yageo Electronics (Dongguan) Co., Ltd. in September 2022. A 25-year lease contract was signed with reference to the rental market in neighboring areas. The total contract value was $61,907.

For the use of plant of Teapo Electronics (Dongguan) CO.,LTD., the Group leased right-of-use of land from Yageo Electronics (Dongguan) Co., Ltd. in January 2024. A 5-year lease contract was signed with reference to the rental market in neighboring areas. The total contract value was $84,840.

For the lease agreement between the Group and the related parties, the method of determining and paying the rent is the same as that of a general lease.

(vii) Operating expenses

	2025	2024
The entities with significant influence over the Group	$ 3,942	2,298
The subsidiaries of the entity with significant influence over the Group	3,390	3,287
Substantial related parties	5,000	6,000
	$ 12,332	**11,585**

(Continued)

(viii) Other income

		2025	2024
The subsidiaries of the entity with significant influence over the Group	$	98	138
Substantial related parties		-	2
Associates		8,502	6,129
	$	**8,600**	**6,269**

Other income is the remuneration of directors and the income from transportation allowance and sample.

(ix) Of the equity interests in Guangdong Zhibao Electronic Technology Co., Ltd. held by the Group, 51% is held by a substantive related party. The Group has executed an agreement with the substantive related party specifying the respective rights and obligations of both parties to safeguard the security of the assets.Please refer to Note 4(3).2, Note 2.

(c) Key management personnel compensation

		2025	2024
Short-term employee benefits	$	68,199	68,470
Post-employment benefits		983	896
	$	**69,182**	**69,366**

Remuneration of directors and other key management personnel is determined by the Remuneration Committee in accordance with individual performance and market trends.

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Account	Pledged to secure		December 31, 2025	December 31, 2024
Carrying amount of investments accounted for using the equity method	Bank borrowing limit	$	2,491,279	2,429,174
Guarantee deposits paid (classified under other non-current assets)	Performance bonds and encumberment deposits, etc.		8,077	4,163
		$	**2,499,356**	**2,433,337**

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies:

(a) As of December 31, 2025 and 2024, in response to the management of the custom accounting book, the Group was guaranteed by Mega Bank for the domestic sales and monthly tax reporting, with a guarantee of $1,000 and $2,000, respectively.

(b) As of December 31, 2025 and 2024, the pledged deposit balances maintained by the Group in connection with the credit facilities obtained amounted to $$5,864,210 thousand and $7,883,196 thousand, respectively.

(c) The Group's unrecognized contractual commitments were as follows:

	December 31, 2025	December 31, 2024
Purchases of property, plant and equipment	$ 150,809	42,842

(10) Losses due to major disasters: None.

(11) Subsequent events: None

(12) Other:

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

By function / By item	For the years ended December 31					
	2025			2024		
	Cost of sale	Operating expense	Total	Cost of sale	Operating expense	Total
Employee benefits						
Salary	789,369	230,645	1,020,014	700,586	225,059	925,645
Labor and health insurance	42,004	12,647	54,651	36,713	12,182	48,895
Pension	49,812	10,341	60,153	45,403	9,993	55,396
Others	45,962	24,579	70,541	44,276	21,662	65,938
Depreciation	360,370	31,674	392,044	370,629	29,656	400,285
Amortization	3,337	18,256	21,593	2,757	18,501	21,258

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits	Maximum limit of fund financing	Note\s
0	KAIMEI ELECTRONIC CORP.	Walsin Technology Corporation	Other receivables	Yes	100,000	100,000	100,000	1.85%	2	-	Working capital	-	None	-	987,124	3,948,494	Note 9
1	Teapo Electronic (HK)Ltd	KAIMEI ELECTRONIC CORP.	Other receivables	Yes	62,633	59,285	59,285	0	2	-	Working capital	-	None	-	400,980	400,980	Note 4
2	Ralec Electronic Corporation	ASJ Components (M) Sdn. Bhd.	Other receivables	Yes	116,218	94,290	94,290	1.94%	2	-	Working capital	-	None	-	423,166	1,692,664	Note 7
2	Ralec Electronic Corporation	MYW Investment Limited	Other receivables	Yes	200,000	200,000	200,000	1.90~1.94%	2	-	Working capital	-	None	-	423,166	1,692,664	Note 7
3	Ralec Technology (Hong Kong) Limited	Ralec Electronic Corporation	Other receivables	Yes	4,943	4,605	4,605	0	2	-	Working capital	-	None	-	4,899,212	4,899,212	Note 3
4	ASJ HOLDINGS PTE. LTD.	ASJ Components (M) Sdn. Bhd.	Other receivables	Yes	76,039	71,975	71,975	0	2	-	Working capital	-	None	-	432,002	432,002	Note 5
5	ASJ Pte. Limited	ASJ Components (M) Sdn. Bhd.	Other receivables	Yes	308,807	292,299	292,299	3.2%	2	-	Working capital	-	None	-	491,895	491,895	Note 6
6	Hunan Ralec Electronics Technology Co., Ltd.	Ralec Technology (KUNSHAN) Co.,Ltd.	Other receivables	Yes	330,870	-	-	0	2	-	Working capital	-	None	-	337,938	337,938	Note 8

Note 1: The numbers denote the following:
1. "0" represents the Company
2. Subsidiaries are numbered starting from "1" .

Note 2: Purpose of fund financing for the borrower:
1. For those companies with business transaction with the Company, please fill in 1.
2. For those companies with short-term financing needs, please fill in 2.

Note 3: Relac Technology (Hong Kong) Limited shall set the lending limit to any individual party at no more than 100% of the lending company's net worth; the total lending limit shall also not exceed 100% of the lending company's net worth.

Note 4: Kamaya Electronics (Hong Kong) Co., Limited shall set the individual lending limit for any single borrowing party at no more than ten times the lending company's net worth as shown in the most recent CPA audited or reviewed financial statements; the total lending limit shall also be no more than ten times the lending company's net worth as shown in the most recent CPA audited or reviewed financial statements. Kamaya Electronics (Hong Kong) Co., Limited is a 100%-owned overseas subsidiary of Kamaya Electric Co., Ltd.; the lending period is five years.

Note 5: ASJ HOLDINGS PTE. LTD. shall set the lending limit to any individual party at no more than 40% of the lending company's net worth as shown in the most recent CPA audited or reviewed financial statements; the total lending limit shall also not exceed 40% of the lending company's net worth.

Note 6: ASJ Pte. Limited shall set the lending limit to any individual party at no more than 20% of the lending company net worth as shown in the most recent CPA audited or reviewed financial statements; the total lending limit shall also not exceed 20% of the lending company's net worth.

Note 7: Relac Corporation shall set the lending limit to any individual party at no more than 20% of the lending company's net worth; the total lending limit shall not exceed 40% of the lending company's net worth.

Note 8: The limit on total loans to others shall not exceed 100% of the net equity value shown in the latest financial statements of Hunan Ralec Electronics Technology Co., Ltd. The limit on loans to any single party shall also not exceed 100% of the net equity value shown in the latest financial statements of Hunan Ralec Electronics Technology Co., Ltd.

Note 9: The total lending limit between Kamaya Electric Co., Ltd. and its subsidiaries shall be capped at 40% of the net worth shown in the most recent financial statements; the lending limit to any individual party shall be capped at 10% of the net worth shown in the most recent financial statements.

Note 10: The above financings were eliminated when compiling the consolidated financial statements.

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No. (note 1)	Name of guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the Company (Note 2)	Limitation on amount of guarantees and endorsements for a specific enterprise (Note 3)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
1	MYW Investment Limited	KAIMEI ELECTRONIC CORP.	3	2,986,180	1,000,000	1,000,000	-	-	133.95 %	2,986,180	N	Y	N
2	Ralec Electronic Corporation	ASJ Components (M) Sdn. Bhd.	2	4,231,660	70,317	70,317	-	-	1.66 %	4,231,660	N	N	N

Note 1: The numbers denote the following:
1. 0 is issuer.
2. Subsidiaries are sequentially numbered from 1 by company.

Note 2: The relationship between the endorser/guarantor and the guaranteed party:
1. The companies with which it has business relations.
2. Subsidiaries in which the company holds more than 50% of its total outstanding common shares.
3. The companies in which the parent company and the subsidiary together hold more than 50% of its outstanding common shares.
4. The parent company which holds, directly or indirectly through a subsidiary, more than 90% of its outstanding common shares.
5. Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer in order to undertake a construction project.
6. An entity that is guaranteed and endorsed by each capital contributing shareholder in proportion to their shareholding percentages.
7. The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant to the Consumer Protection Act for each other.

Note3: The calculation of the limitation on endorsements and the amount thereof:
1. The limit of the endorsement guarantee for the parent company shall not exceed 400% of the net value of MYW Investment Limited.
2. The limit of the endorsement guarantee for a single party shall not exceed 100% of the net equity value of Ralec Electronic Corporation., limit of the total endorsement guarantee for others shall not exceed 100% of the net equity value of Ralec Electronic Corporation..

(iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars / share)

Name of holder	Category and name of security	Name of security	Relationship with company	Account title	Ending balance: Shares/Units (thousands)	Ending balance: Carrying value	Ending balance: Percentage of ownership (%)	Ending balance: Fair value	Highest Percentage of ownership (%)	Note
SUZHOU KAIMEI ELECTRONIC CO., LTD.	Other financial instruments	Cathay United Bank-Structured Deposit	None	Current financial assets at fair value through profit or loss	-	81,319	-	81,319	- %	
Ralec Trading (KUNSHAN) Co., Ltd	Other financial instruments	Rural Commercial Bank– Structured Deposit	None	Current financial assets at fair value through profit or loss	-	270,528	-	270,528	- %	
						351,847		-		
KAIMEI ELECTRONIC CORP.	Stock	Anpec Electronics Corporation	None	Current financial assets at fair value through profit or loss	948,000	204,768	1.26 %	204,768	1.26 %	
MYW Investment Limited	Stock	Anpec Electronics Corporation	None	Current financial assets at fair value through profit or loss	783,000	169,128	1.04 %	169,128	1.04 %	
Ralec Electronic Corporation	Stock	Anpec Electronics Corporation	None	Current financial assets at fair value through profit or loss	935,000	201,960	1.24 %	201,960	1.24 %	

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of holder	Category and name of security	Name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
					Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
						575,856		575,856		

Note1: Listed securities are based on the closing price as of December 31, 2024.
Note2: Includes foreign exchange gains and losses.

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/trade receivables (payables)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payable)	
KAIMEI ELECTRONIC CORP.	JAMICON INTERNATIONAL LIMITED	Subsidiary	Purchase	667,349	96.91 %	Net 90 days	No comparable reference	Depending on the demand on funding	Trade payables (599,138)	(98.90)%	Note
JAMICON INTERNATIONAL LIMITED	KAIMEI ELECTRONIC CORP.	Parent	Sale	(667,349)	(99.98)%	Net 90 days	No comparable reference	Depending on the demand on funding	Trade receivables 599,138	(99.98)%	Note
JAMICON INTERNATIONAL LIMITED	Teapo Electronics (DongGuan) CO., LTD.	The same ultimate parent	Purchase	640,858	96.61 %	Net 90 days	No comparable reference	Depending on the demand on funding	Trade payables (532,483)	(95.82)%	Note
Teapo Electronics (DongGuan) CO., LTD.	JAMICON INTERNATIONAL LIMITED	The same ultimate parent	Sale	(640,858)	(27.19)%	Net 90 days	No comparable reference	Depending on the demand on funding	Trade receivables 532,483	46.86%	Note
Teapo Electronics (DongGuan) CO., LTD.	SUZHOU KAIMEI ELECTRONIC Co., Ltd	The same ultimate parent	Purchase	159,549	10.23 %	Net 90 days	No comparable reference	Depending on the demand on funding	Trade payables (66,665)	(17.65)%	Note
SUZHOU KAIMEI ELECTRONIC Co., Ltd	Teapo Electronics (Dong Guan) Co., Ltd	The same ultimate parent	Sale	(159,549)	(45.24)%	Net 90 days	No comparable reference	Depending on the demand on funding	Trade receivables 66,665	49.71%	Note
Teapo Electronics (Dong Guan) Co., Ltd	Ko-E (ShenZhen) Corporation	The entity with significant influence over the Group	Sale	(478,238)	(20.29)%	Net 90 days	No comparable reference	Same as regular customers	Trade receivables 160,652	14.14%	
Ralec Electronic Corporation	Ralec Technology (KUNSHAN) Co.,Ltd	The same ultimate parent	Sale	(898,070)	43.42 %	Net 75 days	Negotiated price	Same as regular customers	Trade receivables 111,811	25.57%	None
Ralec Technology (KUNSHAN) Co., Ltd	Ralec Electronic Corporation	The same ultimate parent	Purchase	899,653	44.57 %	Net 75 days	Negotiated price	Same as regular vendors	Trade payables (111,811)	22.43%	Note
Ralec Technology (KUNSHAN) Co., Ltd	Ralec Electronic Corporation	The same ultimate parent	Sale	(972,021)	42.42 %	Net 75 days	Negotiated price	Same as regular vendors	Trade receivables 350,219	35.03%	Note
Ralec Electronic Corporation	Ralec Technology (KUNSHAN) Co., Ltd	The same ultimate parent	Purchase	972,021	75.34 %	Net 75 days	Negotiated price	Same as regular customers	Trade payables (350,219)	73.53%	Note
ASJ Components (M) Sdn. Bhd.	Ralec Technology (KUNSHAN) Co., Ltd	The same ultimate parent	Sale	(790,534)	62.79 %	Net 30 days	Negotiated price	Same as regular customers	Trade receivables 228,994	66.90%	Note
Ralec Technology (KUNSHAN) Co., Ltd	ASJ Components (M) Sdn. Bhd.	The same ultimate parent	Purchase	790,534	39.17 %	Net 30 days	Negotiated price	Same as regular vendors	Trade payables (228,994)	45.94%	Note

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note: The transactions were eliminated when compiling the consolidated financial statements.

(v) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 3)	Allowance for bad debts	Note
					Amount	Action taken			
KAIMEI ELECTRONIC CORP.	Ralec Electronic Corporation	100%-owned subsidiary	Other receivables 104,385	Note 1	-		-	-	Note 5
Teapo Electronics (DongGuan) CO. LTD.	JAMICON INTERNATIONAL LIMITED	The same ultimate parent	Trade receivables 532,483	1.56	-		48,837	-	Note 5
JAMICON INTERNATIONAL LIMITED	KAIMEI ELECTRONIC CORP.	Parent	Trade receivables 599,138	1.39	-		50,667	-	Note 5
Teapo Electronics (DongGuan) CO. LTD.	Ko-E (ShenZhen) Corporation	The entity with significant influence over the Group	Trade receivables 160,652	3.13	-		24,698	-	
Ralec Electronic Corporation	Ralec Technology (KUNSHAN) Co., Ltd	The same ultimate parent	Trade receivables 200,543	Note 2	-		-	-	Note 5
Ralec Electronic Corporation	ASJ Components（M）Sdn. Bhd.	The same ultimate parent	Other receivables 111,811	5	-		110,864	-	Note 5
Ralec Technology (KUNSHAN) Co., Ltd	Ralec Electronic Corporation	The same ultimate parent	Trade receivables 350,219	2.13	-		145,324	-	Note 5
Ralec Technology (HK) Limited	Ralec Technology (KUNSHAN) Co., Ltd	The same ultimate parent	Other receivables 1,004,760	Note 3	-		-	-	Note 5
ASJ Pte. Limited	ASJ Components（M）Sdn. Bhd.	The same ultimate parent	Other receivables 324,246	Note 2	-		-	-	Note 5
ASJ Components（M）Sdn. Bhd.	Ralec Technology(KUNSHAN) Co.,Ltd	The same ultimate parent	Other receivables 228,994	4.44	-		144,272	-	Note 5

Note 1: This item pertains to receivables arising from business transactions and loans to other parties, and therefore is not applicable.
Note 2: Other receivables arising from loans, thus not applicable.
Note 3: This item pertains to receivables arising from refunds of capital reductions and is therefore not applicable.
Note 4: Amounts collected as of February 26, 2025.
Note 5: The transactions were eliminated when compiling the consolidated financial statements.

(vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	KAIMEI ELECTRONIC CORP.	Ralec Electronic Corporation	1	Other receivables	100,628	Same as regular customers	0.69 %
1	Teapo Electronics (DongGuan) CO., LTD.	JAMICON INTERNATIONAL LIMITED	3	Operating revenue	640,858	Net 90 days, depending on the demand on funding	11.56 %
		JAMICON INTERNATIONAL LIMITED	3	Trade receivables	532,483	Same as regular customers	3.66 %
		SUZHOU KAIMEI ELECTRONIC CO., LTD.	3	Operating revenue	87,532	Net 90 days, depending on the demand on funding	1.58 %

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
		SUZHOU KAIMEI ELECTRONIC CO., LTD.	3	Trade receivables	42,344	Same as regular customers	0.29 %
2	JAMICON INTERNATIONAL LIMITED	KAIMEI ELECTRONIC CORP.	2	Operating revenue	667,349	Net 90 days, depending on the demand on funding	12.03 %
		KAIMEI ELECTRONIC CORP.	2	Trade receivables	599,138	Same as regular customers	4.12 %
3	SUZHOU KAIMEI ELECTRONIC CO., LTD.	Teapo Electronics (DongGuan) CO., LTD.	3	Operating revenue	159,549	Net 90 days, depending on the demand on funding	2.88 %
		Teapo Electronics (DongGuan) CO., LTD.	3	Trade receivables	66,665	Negociated price	0.46 %
4	Ralec Electronic Corporation	Ralec Technology (KUNSHAN) Co., Ltd	3	Sales revenue	898,070	Same as regular customers	16.19 %
		Ralec Technology (KUNSHAN) Co., Ltd	3	Trade receivables	111,811	Negociated price	0.77 %
		MYW Invesment Limited	3	Other receivables	200,543	Same as regular customers	1.38 %
5	Ralec Technology (KUNSHAN) Co., Ltd	Ralec Electronic Corporation	3	Sales revenue	972,021	Depending on the demand on funding	17.53 %
		Ralec Electronic Corporation	3	Trade receivables	350,219	Negociated price	2.41 %
6	ASJ Components (M) Sdn. Bhd.	Ralec Technology (KUNSHAN) Co., Ltd	3	Sales revenue	790,534	Same as regular customers	14.26 %
		Ralec Technology (KUNSHAN) Co., Ltd	3	Trade receivables	228,994	Depending on the demand on funding	1.57 %
7	ASJ Pte. Limited	ASJ Components (M) Sdn. Bhd.	3	Other receivables	324,246	Depending on the demand on funding	2.23 %

Note 1: The numbers denote the following:
1. 0 represents the Company.
2. The subsidiaries start with number 1.

Note 2: Relationship with the listed companies:
1. Transactions from parent company to subsidiary
2. Transactions from subsidiary to parent company
3. Transactions between subsidiaries

Note3: If the same transaction is made between th˙e parent and the subsidiary companies or between subsidiaries, the disclosure will not be repeated. If: The parent company's transactions with the subsidiary are not repeated if the parent company has disclosed them; the subsidiary's transactions with the subsidiary, if one subsidiary has disclosed it, are not repeated by the other subsidiary.

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2025 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value				
KAIMEI ELECTRONIC CORP.	TEAPO HOLDING BERMUDA LIMITED	Bermuda	Foreign business reinvestment	766,010	766,010	22,042,484	100.00 %	2,365,010	100.00 %	129,637	129,637	Subsidiary (Note1)
KAIMEI ELECTRONIC CORP.	Teapo Electronic (HK) Ltd.	Hong Kong	Import and export of electronic products	40	40	10,000	100.00 %	6,683	100.00 %	5,261	5,261	Subsidiary (Note1)
KAIMEI ELECTRONIC CORP.	FORMOSA PROSONIC ELECTRONICS SDN.BHD	Malaysia	Manufacture and sale of aluminum electrolytic capacitors	114,229	114,229	13,245,440	100.00 %	120,252	100.00 %	-	-	Subsidiary (Note1)
KAIMEI ELECTRONIC CORP.	JAMICON INTERNATIONAL LIMITED	Hong Kong	Import and sale of aluminum electrolytic capacitors	218,851	218,851	90,000,000	100.00 %	576,248	100.00 %	31,346	31,346	Subsidiary (Note1)
KAIMEI ELECTRONIC CORP.	MYW Investment Limited	Taiwan	Reinvestment business	487,919	487,919	-	100.00 %	746,545	100.00 %	33,808	33,808	Subsidiary (Note1)
KAIMEI ELECTRONIC CORP.	Ralec Electronic Corporation	Taiwan	Manufacture and sale of resistors, electronic parts, electronic materials and machine equipment	3,743,606	3,743,606	82,666,764	100.00 %	4,231,660	100.00 %	51,353	51,353	Subsidiary (Note1)
KAIMEI ELECTRONIC CORP.	TONG HSING ELECTRONIC INDUSTRIES, LTD.	Taiwan	Manufacture and sale of electronic products	1,052,650	1,051,457	9,764,774	4.67 %	1,715,150	4.67 %	1,601,398	74,725	Associate under equity method
MYW Investment Limited	TONG HSING ELECTRONIC INDUSTRIES, LTD.	Taiwan	Manufacture and sale of electronic products	484,871	484,871	4,419,767	2.11 %	776,129	2.11 %	1,601,398	33,856	Associate under equity method
Ralec Electronic Corporation	Ralec Technology (HK) Limited	Hong Kong	Foreign business reinvestment	1,222,736	1,222,736	10,000	100.00 %	4,893,802	100.00 %	15,857	26,041	Subsidiary (Note1)
Ralec Electronic Corporation	ASJ HOLDINGS PTE. LTD.	Singapore	Foreign business reinvestment	423,187	423,187	272,846,146	100.00 %	1,096,183	100.00 %	11,490	5,150	Subsidiary (Note1)
ASJ HOLDINGS PTE. LTD.	ASJ Pte. Limited	Singapore	Sales of resistor	148,484	148,484	2,000,000	100.00 %	491,895	100.00 %	(708)	(708)	Subsidiary (Note1)
ASJ HOLDINGS PTE. LTD.	ASJ Components (M) Sdn. Bhd.	Malaysia	Manufacture and sale of resister and sale of electronic component	90,308	90,308	8,000,000	100.00 %	518,521	100.00 %	12,370	12,370	Subsidiary (Note1)

Note 1: The transactions were eliminated when compiling the consolidated financial statements.

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Information on investment in Mainland China:

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

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows: Outflow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period (Note 5)	Note
Teapo Electronics (DongGuan) CO., LTD.	Manufacture and sale of capacitors	594,706	(Note 1)	594,706 (USD18,500)	-	-	594,706 (USD18,500)	130,402	100.00%	100.00%	130,402	2,363,883	-	
SUZHOU KAIMEI ELECTRONIC CO., LTD.	Manufacture and sale of aluminum electrolytic capacitors	462,990	(Note 1)	446,416 (USD15,000)	-	-	446,416 (USD15,000)	30,651	100.00%	100.00%	30,651	538,997	-	
DONGGUAN TEAPO ELECTRONIC TECHNOLOGY CO., LTD	Import and sale of aluminum electrolytic capacitors and motor fans	2,331	(Note 2)	-	-	-	-	(1,098)	100.00%	100.00%	(1,098)	963	-	
Ralec Technology (KUNSHAN) Co., LTD	Manufacture and sales of chip resistors, capacitors and inductors	314,300 (USD10,000)	(Note 1)	1,237,796 (USD37,000)	-	-	1,237,796 (USD37,000)	20,041	100.00%	100.00%	20,041	3,289,951	-	Note 1
Ralec Trading (KUNSHAN) Co., LTD	Sale of resistors, capacitors and inductors	3,143 (USD100)	(Note 1)	-	-	-	-	2,432	100.00%	100.00%	2,432	232,904	-	
Hunan Ralec Electronics Technology Co., LTD	Manufacture and sales of chip resistors, capacitors and inductors	440,608 (CNY98,000)	(Note 1)	-	-	-	-	(6,483)	100.00%	100.00%	(6,483)	337,938	-	

Note 1:Ralec Trading (KUNSHAN) Co., LTD conducted a capital reduction in October 2025 in the amount of USD 27,000 thousand. The deregistration procedures have been completed, and the refund of the capital reduction is still pending.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2025 (Note 4)	Investment Amounts Authorized by Investment Commission, MOEA (Notes 4)	Upper Limit on Investment (Note 3)
2,215,815 (USD70,500)	3,445,364 (USD91,024 and CNY130,000)	5,922,742

Note 1: Investment in companies in Mainland China through the existing companies in the third regions.
Note 2: Investment in companies in Mainland China through the existing companies in Mainland China.
Note3: Investment limit of the Company to the Mainland China (60% of net equity) $9,871,236 X 60% = 5,922,742.
Note4: US$1 = 31.43 and CNY$1=4.496 at the reporting date.
Note5: The amount accumulated from the initial investment to the current period.
Note6: The impairment loss on long-term investments was recognized based on the financial statements audited or reviewed by a CPA of the investee company.

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China are disclosed in “ Information on significant transactions” and “ Business relationships and significant intercompany transactions”.

(14) Segment information:

(a) General information

There are two reporting departments: capacitor and fan department and resistor department, which provides the product design, manufacture and sales in their respective areas. Each reporting department is a strategic business unit, to provide different products. They offer different products and services, and are managed separately because they require different technological and marketing strategies.

(b) Reportable segment profit or loss, segment assets, segment liabilities, and their measurement and reconciliations

Segment results are excluding non-operating income and expenses and income tax expense. The reportable amount is similar to that in the report used by the chief operating decision maker.

The segments’ accounting policy are same as note 4. Reportable segment profit or loss is based on operating profit or loss before taxation (excluding non-operating income and expenses), and as the base of resource allocation. The Group regards sales and transfers between segments as third-party transactions. They are measured at market price.

	2025			
	Capacitor and fan department	**Resistor department**	**Adjustment and elimination**	**Total**
Revenue				
Revenue from external customers	$ 2,780,419	2,765,072	-	5,545,491
Intersegment revenues	-	20,889	(20,889)	-
Total revenue	**$ 2,780,419**	**2,785,961**	**(20,889)**	**5,545,491**
Reportable segment profit or loss	**$ 408,833**	**120,927**	**-**	529,760
Gains on investments				108,581
				638,341
Reportable segment assets	**$ 3,984,086**	**7,310,388**	**3,260,818**	**$ 14,555,292**
Reportable segment liabilities	**$ 848,319**	**3,332,922**	**502,815**	**$ 4,684,056**

(Continued)

KAIMEI ELECTRONIC CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	2024			
	Capacitor and fan department	**Resistor department**	**Adjustment and elimination**	**Total**
Revenue				
Revenue from external customers	$ 2,796,145	2,467,823	-	5,263,968
Intersegment revenues	-	9,812	(9,812)	-
Total revenue	**$ 2,796,145**	**2,477,635**	**(9,812)**	**5,263,968**
Reportable segment profit or loss	**$ 521,540**	**39,080**	**-**	560,620
Gains on investments				119,386
				680,006
Reportable segment assets	**$ 4,337,573**	**6,932,031**	**3,586,750**	**14,856,354**
Reportable segment liabilities	**$ 1,915,582**	**2,834,752**	**412,941**	**5,163,275**

(c) Product and service information

The Group's revenue from external customer were as follows:

Product	**2025**	**2024**
Capacitor	$ 2,179,968	2,257,686
Resistor	2,789,936	2,481,295
Fan	570,551	519,933
Others	5,036	5,054
Total	**$ 5,545,491**	**5,263,968**

(d) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and non-current segment assets are based on the geographical location of the assets.

(i) Revenue from external customers

Geographical information	**2025**	**2024**
China	$ 3,360,364	3,290,163
Taiwan	434,524	377,902
Korea	360,223	385,045
Germany	228,045	192,895
Others	1,162,335	1,017,963
	$ 5,545,491	**5,263,968**

(ii) Non-current assets

Geographical information	December 31, 2025	December 31, 2024
Taiwan	$ 398,938	441,032
Hong Kong, China and other Asia Pacific regions	1,904,405	2,017,253
	$ 2,303,343	**2,458,285**

Non-current assets include property, plant and equipment, right-of-use assets, investment property, intangible assets, and prepayments for business facilities, not including financial instruments and deferred tax assets.

(e) Major customers

For the year ended December 31, 2025 and 2024, customers whose transaction amounts with the consolidated companies accounted for 10% or more of consolidated net sales are detailed as follows:

	2025	2024
A company	**$ 548,567**	**546,711**