Stock Code:2420

ZIPPY TECHNOLOGY CORP.

PARENT COMPANY ONLY FINANCIAL STATEMENTS

With Independent Auditors' Report

For the Years Ended December 31, 2025 and 2024

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Table of contents

Independent Auditors' Report

To the Board of Directors of Zippy Technology Corp.:

Opinion

We have audited the financial statements of Zippy Technology Corp.("the Company"), which comprise the balance sheet as of December 31, 2025 and 2024, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Please refer to Note 4(o), and 6(q) for accounting policies and related disclosure information for revenue, respectively.

Description of the key audit matter:

The main business items of the Company are power supplies and micro switches. Sales transactions of the Company are mainly for export. There is uncertainty in the timing of export revenue recognition due to the long delivery period and the risk reward and ownership of the goods. The focus of attention is whether the timing of revenue recognition meets the transaction terms. Therefore, the timing for revenue recognition has been identified as a key audit matter in the current period.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included assessing the appropriateness of the accounting policies and the design of related internal control for the timing of revenue recognition to the Company; conducting internal control tests to confirm whether the internal control is effectively implemented; executing the cut-off test for revenue recognition based on the transactions for a period of time before and after the report date.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Rou-Lan Kuo and Ying-Ru Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 4, 2026

Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

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

ZIPPY TECHNOLOGY CORP.
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	ASSETS	2025.12.31		2024.12.31	
		Amount	%	Amount	%
11XX	**Current Assets：**				
1100	Cash and cash equivalents (Notes (4) and (6)(a))	$ 624,107	11	723,990	13
1110	Current financial assets at fair value through profit or loss (Notes (4) and (6)(b))	190,261	4	181,069	3
1150	Notes receivable, net (Notes (4) and (6)(c))	7,232	-	5,039	-
1170	Accounts receivable, net (Notes (4) and (6)(c))	180,331	3	211,153	4
1180	Accounts receivable due from related parties, net (Notes (4), (6)(c) and (7))	96,653	2	97,073	2
1200	Other receivables (Notes (4) and (6)(d))	6,644	-	3,694	-
130X	Inventories, net (Notes (4) and (6)(e))	425,139	8	418,820	7
1410	Other prepayments (Note (7))	3,644	-	2,967	-
1470	Other current assets	1,397	-	2,064	-
		1,535,408	28	1,645,869	29
15XX	**Non-current Assets：**				
1517	Non-current financial assets at fair value through other comprehensive income (Notes (4) and (6)(b))	10,000	-	-	-
1550	Investments accounted for using equity method, net (Notes (4) and (6)(f)	1,008,835	18	942,026	17
1600	Property, plant and equipment (Notes (4), (6)(g) and (8))	918,906	17	930,182	17
1760	Investment property, net (Notes (4), (6)(h) and (8))	2,006,743	36	2,016,984	36
1780	Intangible assets (Notes (4) and (6)(i))	20,397	-	20,577	-
1840	Deferred income tax assets (Notes (4) and (6)(n))	16,050	-	18,855	1
1915	Prepayments for business facilities	33,573	1	29,350	-
1920	Guarantee deposits paid (Notes (6)(t))	84	-	84	-
		4,014,588	72	3,958,058	71
1XXX	**TOTAL ASSETS**	**$ 5,549,996**	**100**	**5,603,927**	**100**

	LIABILITIES AND EQUITY	2025.12.31		2024.12.31	
		Amount	%	Amount	%
21XX	**Current Liabilities：**				
2130	Current contract liabilities (Note (6)(q))	$ 16,051	-	14,912	-
2150	Note payable	5,201	-	10,941	-
2170	Accounts payable	230,533	5	218,688	4
2181	Accounts payable to related parties (Note (7))	54,014	1	48,591	1
2200	Other payables	159,396	3	203,287	4
2220	Other payables due to related parties (Note (7))	14,184	-	14,701	-
2230	Current tax liabilities (Notes (4) and (6)(n))	58,109	1	76,955	1
2320	Long-term borrowings, current portion (Note (6)(k) and (8))	50,000	1	50,000	1
2399	Other current liabilities, others	6,700	-	7,960	-
		594,188	11	645,585	11
25XX	**Non-current Liabilities：**				
2540	Long-term borrowings (Note (6)(k) and (8))	958,000	17	1,008,000	18
2570	Deferred income tax liabilities (Notes (4) and (6)(n))	1,481	-	1,081	-
2640	Net defined benefit liability, non-current (Notes (4) and (6)(m))	850	-	9,042	-
2645	Guarantee deposits received (Notes (6)(t))	18,058	-	21,148	1
		978,389	17	1,039,271	19
	Total Liabilities	1,572,577	28	1,684,856	30
31XX	**Equity (Note (6)(o))：**				
3110	Ordinary share	1,526,487	28	1,526,487	27
3200	Capital surplus	138,051	2	135,562	3
3300	Retained earnings	2,312,051	42	2,243,847	40
3410	Exchange Differences on Translation of Foreign Financial Statements	830	-	13,175	-
	Total Equity	3,977,419	72	3,919,071	70
2-3XXX	**TOTAL LIABILITIES AND EQUITY**	**$ 5,549,996**	**100**	**5,603,927**	**100**

The accompanying notes are an integral part of financial statements

ZIPPY TECHNOLOGY CORP.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		For the years ended December 31,			
		2025	%	2024	%
4000	**Total sales revenue (Notes (6)(q) and (7))**	$ 2,012,967	100	2,081,404	100
5110	**Total operating costs (Notes (6)(e))**	1,178,864	59	1,163,107	56
	Gross profit from operations	834,103	41	918,297	44
5910	Less: Unrealized profit (loss) from sales (Note (7))	29,996	1	35,281	2
5920	Add: Realized profit (loss) from sales (Note (7))	35,281	2	42,064	2
5900	**Gross profit from operations**	839,388	42	925,080	44
6000	**Operating expenses (Notes (6)(m), (6)(r) and (7)):**				
6100	Selling expenses	43,718	2	49,663	2
6200	Administrative expenses	159,254	8	206,088	10
6300	Research and development expenses	62,533	3	72,346	3
6450	Expected credit loss (gain)	2,115	-	71	-
	Total operating expenses	267,620	13	328,168	15
6900	**Net operating income**	571,768	29	596,912	29
7000	**Non-operating income and expenses (Note (6)(s)):**				
7100	Interest income	15,800	1	32,437	2
7010	Other income	109,890	5	111,322	5
7020	Other gains and losses, net	(920)	-	56,070	3
7050	Finance costs, net	(22,964)	(1)	(23,819)	(1)
7375	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	60,569	3	45,181	2
	Total non-operating income and expenses	162,375	8	221,191	11
7900	**Profit (loss) from continuing operations before tax**	734,143	37	818,103	40
7950	**Less: Income tax expenses (Note (6)(n))**	137,960	7	152,084	7
8200	**Profit**	596,183	30	666,019	33
	Other comprehensive income:				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	8,182	-	6,202	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(254)	-	53	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(1,637)	-	(1,240)	-
	Components of other comprehensive income that will not be reclassified to profit or loss	6,291	-	5,015	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(12,345)	(1)	41,403	2
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(12,345)	(1)	41,403	2
	Other comprehensive income	(6,054)	(1)	46,418	2
8500	**Total comprehensive income**	$ **590,129**	**29**	**712,437**	**35**
9750	**Basic earnings per share (NT dollars) (Notes (6)(p))**	$	**3.91**		**4.36**
9870	**Diluted earnings per share (NT dollars) (Notes (6)(p))**	$	**3.89**		**4.35**

The accompanying notes are an integral part of financial statements

(ENGLISH TRANSLATION OF PARENT COMPANY ONLY FINANCIAL STATEMENTS ORIGINALLY ISSUDED IN CHINESE)

ZIPPY TECHNOLOGY CORP.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Capital Stock		Retained Earnings				Other Equity	
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total	Exchange Differences on Translation of Foreign Financial Statements	Total Equity
Balance at January 1, 2024	$ 1,526,487	135,562	924,672	23,960	1,082,127	2,030,759	(28,228)	3,664,580
Net income (loss) for the period	-	-	-	-	666,019	666,019	-	666,019
Other comprehensive income (loss) for the period	-	-	-	-	5,015	5,015	41,403	46,418
Total comprehensive income (loss) for the period	-	-	-	-	671,034	671,034	41,403	712,437
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	54,082	-	(54,082)	-	-	-
Special reserve appropriated	-	-	-	4,268	(4,268)	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(457,946)	(457,946)	-	(457,946)
Balance at December 31, 2024	1,526,487	135,562	978,754	28,228	1,236,865	2,243,847	13,175	3,919,071
Net income (loss) for the period	-	-	-	-	666,019	666,019	-	666,019
Other comprehensive income (loss) for the period	-	-	-	-	5,015	5,015	41,403	46,418
Total comprehensive income (loss) for the period	-	-	-	-	671,034	671,034	41,403	712,437
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	67,103	-	(67,103)	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(534,270)	(534,270)	-	(534,270)
Special reserve reversed				(28,228)	28,228	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	2,489	-	-	-	-	-	2,489
Balance at December 31, 2025	**$ 1,526,487**	**138,051**	**1,045,857**	**-**	**1,266,194**	**2,312,051**	**830**	**3,977,419**

The accompanying notes are an integral part of financial statement

ZIPPY TECHNOLOGY CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2025	2024
Cash flows from operating activities:		
Profit before income tax	$ 734,143	818,103
Adjustments:		
Adjustments to reconcile profit before income tax to net cash provided by operating activities:		
Depreciation expense	49,927	60,062
Amortization expense	538	653
Expected credit loss (gain)	2,115	71
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(1,069)	(798)
Interest expense	22,964	23,819
Interest income	(15,800)	(32,437)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(60,569)	(41,181)
Loss on disposal of property, plant and equipment	-	1
Unrealized profit (loss) from sales	29,996	35,281
Realized profit (loss) from sales	(35,281)	(42,064)
Total adjustments to reconcile profit	(7,179)	(593)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(2,078)	2,415
Accounts receivable	28,592	(11,440)
Accounts receivable due from related parties	420	(15,505)
Other receivables	(2,698)	(747)
Other receivables due from related parties	(153)	-
Inventories	(6,319)	56,379
Other prepayments	(677)	(2,119)
Other current assets	1,012	203
Total changes in operating assets	18,099	29,186
Changes in operating liabilities:		
Contract liabilities	1,139	3,654
Notes payable	(5,290)	1,546
Accounts payable	11,845	65,089
Payables to related parties	5,423	27,542
Other payables	(43,521)	50,806
Other payables due to related parties	(517)	3,374
Other current liabilities	(1,260)	887
Net defined benefit liabilities, non-current	(10)	(7)
Total changes in operating liabilities	(32,191)	152,891
Total changes in operating assets and liabilities	(14,092)	182,077
Total adjustments	(21,271)	181,484
Cash inflow (outflow) generated from operations	712,872	999,587
Interest received	15,741	32,409
Interest paid	(23,092)	(23,725)
Income taxes paid	(155,238)	(198,583)
Net cash flows from (used in) operating activities	550,283	809,688
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(10,000)	-
Acquisition of financial assets at fair value through profit or loss	(8,123)	(143,252)
Increase in investments accounted for using equity method	(11,065)	-
Acquisition of property, plant and equipment income	(18,024)	(9,465)
Acquisition of intangible assets	(358)	(969)
Increase in prepayments for business facilities	(15,236)	(16,361)
Net cash flows (used in) from investing activities	(62,806)	(170,047)
Cash flows from financing activities:		
Repayments of long-term borrowings	(50,000)	(50,000)
Increase (Decrease) in guarantee deposits received	(3,090)	691
Cash dividends paid	(534,270)	(457,946)
Net cash flows (used in) from financing activities	(587,360)	(507,255)
Net increase (decrease) in cash and cash equivalents	(99,883)	132,386
Cash and cash equivalents at beginning of period	723,990	591,604
Cash and cash equivalents at end of period	$ **624,107**	**723,990**

The accompanying notes are an integral part of financial statements

(1) Overview

Zippy Technology Corp. (the “Company”) was established on April 25, 1983, which was a limited company. The Company reorganized into a company limited by shares in 1988. The shares of the Company was listed and traded at the ROC Securities Over-the-Counter Trading Center on May 25, 1996. Through the listing application to the Taiwan Stock Exchange in June 2000, the shares of the Company became officially listed and traded on the Taiwan Stock Exchange on September 11, 2000. The Company engages primarily in the designing, manufacturing and trading of micro switches, power supplies.

(2) Financial Statements Authorization Date and Authorization Process

The accompanying parent company only financial statements were authorized for issuance by the Board of Directors on March 4, 2026.

(3) New Standards, Amendments and Interpretations not yet Adopted:

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

The Company 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) Impact of IFRS Accounting Standards Not Yet Adopted by the FSC

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

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

(c) New Standards and Interpretations Issued and Revised by the IASB but Not Yet Approved by the FSC

The following standards and interpretations issued and revised by the International Accounting Standards Board (IASB) but not yet approved by the FSC may be relevant to the Company:

Newly issued or amended standards	Main amendments	Effective date of the IASB's issuance
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

The Company is continuously evaluating the impact of the above standards and interpretations on the Company’s financial position and operating results, and the related impact will be disclosed when the evaluation is completed.

The Company does not anticipate that the following newly issued and amended standards, which have not yet been endorsed, will have a material impact on the accompanying parent company only 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) Significant Accounting Policies

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

The significant accounting policies presented in the financial statements are summarized below. Except for the explanation, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These annual financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

1. Basis of measurement

Except for the defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in Note 4(p), the accompanying parent company only financial statements have been prepared on a historical cost basis.

2. Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The accompanying parent company only financial statements are presented in New Taiwan Dollar, which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Foreign currencies

1. Foreign currency transaction

Foreign currency transactions are converted into the functional currency at the exchange rate on the transaction date. On the ending date of each subsequent reporting period (hereinafter referred to as the reporting date), monetary items denominated in foreign currencies are converted into the functional currency at the exchange rate on that date. Non-monetary items at fair value that are denominated in foreign currencies are converted into the functional currency at the exchange rate on the date of measurement of the fair value, while non-monetary items at historical cost that are denominated in foreign currencies are converted at the exchange rate on the transaction date.

Differences arising from foreign currency translations are generally recognized in profit or loss, but are recognized in other comprehensive income in the following circumstances:

1) Designated as equity instruments at fair value through other comprehensive income;

2) Designated as financial liabilities of net investment hedge of overseas operating entities, which are within the effective range of the hedge; or

3) Eligible cash flow hedges, which are within the effective range of the hedge.

2. Foreign operations

Assets and liabilities of overseas operating entities, including goodwill and fair value adjustments arising on acquisition, are translated into NTD at the exchange rate on the reporting date; income and expense items are translated into NTD at the average exchange rates for the period, with the resulting exchange differences recognized in other comprehensive income.

When the disposal of an overseas operating entity results in a loss of control, joint control or significant impact, the cumulative translation differences related to the overseas operating entity are reclassified to profit or loss. Upon partial disposal of a subsidiary containing an overseas operating entity, the related cumulative translation differences are re-attributed to non-controlling interests on a pro rata basis. Upon partial disposal of an investment in an associate or joint venture containing an overseas operating entity, the related cumulative translation differences are reclassified to profit or loss on a pro rata basis.

Foreign currency translation gains or losses resulting from monetary receivables or payables from an overseas operating entity for which repayment is not planned and is not expected in the foreseeable future are recognized in other comprehensive income as part of the net investment in the overseas operating entity.

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

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

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

2. It is held primarily for the purpose of trading;

3. It is expected to be realized within twelve months after the reporting period; or

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

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

An entity shall classify a liability as current when:

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

(e) 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.

(f) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset 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.

1. Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost and FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company 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 is not designated as at fair value through profit or loss and meets the following conditions:

- The financial assets are held under the business model for the purpose of collecting contractual cash flows.
- The contractual terms of the financial asset generate cash flows on a specific date, which are entirely used to pay the principal and the interest on the principal amount outstanding.

Such assets are subsequently measured at their originally recognized amounts plus or minus accumulated amortization using the effective interest method, adjusted for the amortized cost of any allowance loss. Interest income, foreign currency exchange gains or losses and impairment losses are recognized in profit or loss. Upon derecognition, the gains or losses are recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

Some trade receivables deriving from the collection of contractual cash flows and sales made by the Company are measured at FVOCI, and recognized as ‘trade receivables’ line item.

On initial recognition of an equity investment that is not held for trading, the Company 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.

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

Dividend income is recognized in profit or loss on the date on which the Company’ s right to receive payment is established

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost described as above are measured at FVTPL, including derivative financial assets. The Company intends to sell accounts receivable immediately or in the near future, which is measured at FVTPL, but is included under accounts receivable. On initial recognition, the Company 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) Impairment of financial assets

The Company 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 receivable and guarantee deposit paid).

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

- The credit risk of the debt securities is determined as low at the reporting date; and
- The credit risks of other debt securities and bank deposits (i.e., default risk occurs over the expected lifetime of the financial instruments) has not increased significantly since the initial recognition.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company 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 Company’s historical experience and informed credit assessment as well as forward-looking information.

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

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

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

ECL is 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 Company in accordance with the contract and the cash flows that the Company expects to receive). ECL is discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost is 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 difficulties of the borrower or issuer;
- Defaults, such as delay or becoming overdue for more than one year;
- The Group makes concessions to the Borrower that it would not otherwise consider for economic or contractual reasons related to the Borrower's financial difficulties;
- The borrower is very likely to file for bankruptcy or other financial reorganization; or
- The active market for the financial asset may disappear as a result 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 Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company 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 Company 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 Company’s procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company 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 Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

2. Financial liabilities and equity instruments

1) Financial liabilities

Financial liabilities are classified as measured at amortized cost.

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.

2) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company 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.

3) 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 Company 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.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on 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 existing 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.

(h) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent company only financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

The changes in ownership of the subsidiaries are recognized as equity transaction.

(i) Investment Property

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

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

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

A property is reclassified to property, plant, and equipment at its carrying amount when the use of the property changes from owner occupied to property, plant, and equipment.

(j) Property, plant, and equipment

1. 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.

2. Subsequent expenditure

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

3. Depreciation

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

Land is not depreciated.

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

Buildings	37 ~ 55 years
Machinery	8 ~ 10 years
Transportation equipment	4 ~ 7 years
Furniture and office facilities	3 ~ 5 years
Other equipment	2 ~ 10 years

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

4. Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner occupied to investment property.

(k) Leases

At inception of a contract, the Company 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.

1. Lessee

The Company recognizes a right-of-use asset and a lease liability at the lease inception date. The right-of-use asset is measured initially at cost, which includes the original measured amount of the lease liability, adjusted for any lease payments made on or before the lease inception date, plus the original direct costs incurred and the estimated costs to disassemble and remove the underlying asset and restore the subject asset or its location, and less any lease incentives received.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. In addition, the Company periodically evaluates the right-of-use asset for impairment and addresses any impairment losses incurred, and adjusts the right-of-use asset when the lease liabilities are remeasured.

Lease liabilities are originally measured at the present value of the lease payments outstanding on the commencement date of the lease. If the implicit rate of the lease is readily determinable, the discount rate will be that rate; if not, the Company's incremental borrowing rate will be used. In general, the Company uses its incremental borrowing rate as the discount rate.

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

1) Fixed payments, including substantially fixed payments;

2) Variable lease payments that depend on an index or rate, which are originally measured using

the index or rate at the commencement date of the lease;

3) Residual guarantee amounts that are expected to be paid; and

4) The exercise price or penalty payable upon reasonable determination of the purchase option or lease termination option to be exercised.

Interest on lease liabilities is subsequently accrued using the effective interest method, and the lease liabilities are remeasured when the following occurs:

1) A change in future lease payments resulting from a change in an index or a rate used to determine those payments;

2) A change in the residual guarantee amount expected to be paid;

3) A change in the assessment of the option to purchase the underlying asset;

4) A change in evaluation of whether to exercise the option to extend or terminate the lease, resulting in a change in the evaluation of the lease term;

5) Changes in the subject matter, scope or other terms of the lease.

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

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. Only for a lease of land and building, the Company elects not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

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

2. Lessor

When the Company 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 Company 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 Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

For a contract that contains lease components and non-lease components, the Company uses IFRS 15 to allocate the consideration in the contract.

(l) Intangible assets

1. Recognition and measurement

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 Company 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, which are acquired by the Company and have finite useful lives, are measured at cost less accumulated amortization and any accumulated impairment losses.

2. 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.

3. 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.

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

Computer software cost	5 ~10 years
Capitalized development cost	2 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 Company reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets, and investment property measured at fair value) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

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.

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.

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 Company has a present obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation.

(o) Revenue

1. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company 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 Company’s main types of revenue are explained below.

1) Sale of goods – power supplies and micro switch

The Company 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 Company 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 Company has a right to an amount of consideration that is unconditional.

2) Financing components

The Company 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) Employee benefits

1. Defined contribution plans

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

2. Defined benefit plans

The Company'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 Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company 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 Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3. 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 Company 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.

(q) 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.

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:

1. Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

2. Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company 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

3. 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; such reductions are reversed when the probability of future taxable profits improves.

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:

1. The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

2. 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.

(r) Earnings per share

The Company discloses the Company’s basic and diluted earnings per share attributable to ordinary equity holders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on 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 dilutive potential ordinary shares, such as convertible bonds and employee compensation.

(s) Operating segments

The operating segment information is disclosed in the Company’s consolidated financial statements; therefore, the Company does not disclose segment information in parent company only financial statements.

(5) Significant Accounting Judgments, Estimation, Assumptions, and Sources of Estimation Uncertainty

The preparation of the financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

The Company does not have any accounting policies which involve significant judgment which have significant influence to the annual financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year and reflection from the impact of the new crown virus epidemic is as follows:

(a) Loss allowance for Accounts receivable

Loss allowance of accounts receivable for the Company is estimated based on the assumptions of default risk and expected loss rate. The Company considers historical experience, current market conditions and forward-looking estimates on each reporting day to determine the assumptions and input values to be used when calculating impairments. Refer to note 6(c) for further description of related assumptions and input values.

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to note 6(e) for further description of the valuation of inventories.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(6) Explanation to Significant Accounts

(a) Cash and cash equivalents

		2025.12.31	2024.12.31
Cash	$	194	190
Checking deposits		87	112
Demand deposits		99,815	159,964
Time deposits		524,011	563,724
Cash and cash equivalents in statement of cash flows	**$**	**624,107**	**723,990**

Refer to Note 6(t) for the currency risk of the financial assets of the Company.

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

1. Financial assets at fair value through profit or loss

		2025.12.31	2024.12.31
Mandatorily measured at fair value through profit or loss - Beneficiary certificates	**$**	**190,261**	**181,069**

1) Refer to Note 6(t) for the credit risks exposure of the financial instrument.

2) As of December 31, 2025 and 2024, the aforesaid financial assets were not pledged as collateral.

2. Financial assets at fair value through other comprehensive income

		2025.12.31	2024.12.31
Equity instruments at fair value through other comprehensive income：			
Unlisted shares – non-current	**$**	**10,000**	**-**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(c) Notes and accounts receivables

		2025.12.31	2024.12.31
Notes receivable	$	7,254	5,177
Accounts receivable		183,244	211,835
Accounts receivable due from related parties		96,653	97,073
Less: Loss allowance		(2,935)	(820)
	$	**284,216**	**313,265**

The Company 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 exxpected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions were determined as follows:

		2025.12.31		
		Gross carrying amount	**Weighted-average**	**Loss allowance provision**
Current	$	264,855	0%~0.30%	505
1 to 180 days past due (Note)		22,296	10.90%	2,430
	$	**287,151**		**2,935**

		2024.12.31		
		Gross carrying amount	**Weighted-average**	**Loss allowance provision**
Current	$	310,119	0.30%	930
1 to 180 days past due		3,966	14.80%	587
	$	**314,085**		**1,517**

Note: as of the end of February 27, 2026, the full amount has been received by the Company.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

The movement in the allowance for notes and accounts receivable was as follows:

		For the years ended December 31,	
		2025	**2024**
Balance at January 1, 2025 and 2024	$	820	749
Impairment losses (reversed) recognized		2,115	71
Balance at December 31, 2025 and 2024	**$**	**2,935**	**820**

As of December 31, 2025 and 2024, none of the receivables above are pledged as collateral for loans and borrowings.

(d) Other receivables

		2025.12.31	**2024.12.31**
Other receivables	$	6,644	3,694
Other receivables－related parties		-	-
	$	**6,644**	**3,694**

None of other receivables are past due.

Please refer to Note 6(t) for further credit risk information.

(e) Inventories

		2025.12.31	**2024.12.31**
Raw materials	$	249,409	241,938
Work in process		135,271	137,620
Finished goods		40,459	39,262
	$	**425,139**	**418,820**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

The movement in the allowance for inventory valuation and obsolescence losses was as follows:

		For the years ended December 31,	
		2025	**2024**
Balance at January 1, 2025 and 2024	$	44,611	54,170
Write-down (write-up) of inventories		551	(9,559)
Balance at December 31, 2025 and 2024	**$**	**45,162**	**44,611**

For the year ended December 31, 2025, a write-down of inventories amounted to NT$551 and was recognized in operating costs, as the net realizable value of the inventories was lower than their cost.

For the year ended December 31, 2024, a reversal of inventory impairment due to an increase in the net realizable value of inventory amounted to NT$9,559 and was included in operating costs.

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

(f) Investments accounted for using equity method

The investment using equity method was as follows:

		2025.12.31	**2024.12.31**
Subsidiaries	**$**	**1,008,835**	**942,026**

1. Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2025.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(g) Property, plant and equipment

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

	Land	Building and construction	Machinery and equipment	Transportation	Office equipment	Other facilities	Total
Cost or deemed cost:							
Balance at January 1, 2025	$ 680,361	241,444	320,242	958	42,962	216,616	1,502,583
Additions	-	-	6,804	-	319	10,659	17,782
Reclassification-prepayments for business facilities	-	-	5,348	-	-	5,280	10,628
Disposals	-	-	(2,855)	-	(934)	(1,931)	(5,720)
Balance at December 31, 2025	$ **680,361**	**241,444**	**329,539**	**958**	**42,347**	**230,624**	**1,525,273**
Balance at January 1, 2024	$ 680,361	241,444	314,425	958	41,415	209,203	1,487,806
Additions	-	-	2,481	-	2,048	6,975	11,504
Reclassification-prepayments for business facilities	-	-	3,346	-	-	438	3,784
Disposals	-	-	(10)	-	(501)	-	(511)
Balance at December 31, 2024	**$ 680,361**	**241,444**	**320,242**	**958**	**42,962**	**216,616**	**1,502,583**
Depreciation and impairment losses:							
Balance at January 1, 2025	**$** -	107,964	235,014	958	36,500	191,965	572,401
Depreciation for the period	-	5,306	21,257	-	2,619	10,504	39,686
Disposals	-	-	(2,855)	-	(934)	(1,931)	(5,720)
Balance at December 31, 2025	**$** -	**113,270**	**253,416**	**958**	**38,185**	**200,538**	**606,367**
Balance at January 1, 2024	**$** -	102,657	209,194	958	32,728	177,553	523,090
Depreciation for the period	-	5,307	25,830	-	4,272	14,412	49,821
Disposals	-	-	(10)	-	(500)	-	(510)
Balance at December 31, 2024	**$** -	**107,964**	**235,014**	**958**	**36,500**	**191,965**	**572,401**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	Land	Building and construction	Machinery and equipment	Transportation	Office equipment	Other facilities	Total
Carrying amounts:							
Balance at December 31, 2025	$ 680,361	128,174	76,123	-	4,162	30,086	918,906
Balance at January 1, 2024	$ 680,361	138,787	105,231	-	8,687	31,650	964,716
Balance at December 31, 2024	$ 680,361	133,480	85,228	-	6,462	24,651	930,182

As of December 31, 2025 and 2024, the property, plant and equipment were pledged as collateral, please refer to Note 8.

(h) Investment property

Investment property includes its own assets held by the Company. The original non-removable period of leased investment property is one to four years, and some lease contracts stipulate that the lessee has the option to extend the period upon expiration.

The rental income of leased investment property is a fixed amount.

	Land and improvement	Building and construction	Total
Cost or deemed cost:			
Balance as of January 1, 2025	$ 1,759,235	378,942	2,138,177
Balance as of December 31, 2025	**$ 1,759,235**	**378,942**	**2,138,177**
Balance as of January 1, 2024	$ 1,759,235	378,942	2,138,177
Balance as of December 31, 2024	**$ 1,759,235**	**378,942**	**2,138,177**
Accumulated depreciation and impairment losses:			
Balance as of January 1, 2025	$ -	121,193	121,193
Depreciation for the year	-	10,241	10,241
Balance as of December 31, 2025	**$ -**	**131,434**	**131,434**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	Land and improvement	Building and construction	Total
Balance as of January 1, 2024	$ -	110,952	110,952
Depreciation for the year	-	10,241	10,241
Balance as of December 31, 2024	**$ -**	**121,193**	**121,193**
Carrying amounts:			
Balance as of December 31, 2025	**$ 1,759,235**	**247,508**	**2,006,743**
Balance as of January 1, 2024	**$ 1,759,235**	**267,990**	**2,027,225**
Balance as of December 31, 2024	**$ 1,759,235**	**257,749**	**2,016,984**
Fair value:			
Balance as of December 31, 2025			**$ 3,318,480**
Balance as of December 31, 2024			**$ 3,318,480**

Investment property includes several commercial properties leased to others. Each lease contract includes the original non-cancellable lease term of one year, and the subsequent lease term is negotiated with the lessee, and no contingent rent is collected. For relevant information, please attach Notes 6 (l) and 6 (s).

The fair value of the Company's investment property is based on the evaluation of independent evaluators. The evaluation is based on market value.

For the year ended December 31, 2025 and 2024, the direct operating expenses incurred by the Company's investment property that generated rental income were $4,128 and $4,060, respectively.

Please refer to Note 8 for details of the investment property pledged as collateral as of December 31, 2025 and 2024.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(i) Intangible assets

The costs of intangible assets and amortization of the Company for the years ended December 31, 2025 and 2024 were as follows:

	Software	Other intangible assets	Total
Cost:			
Balance as of January 1, 2025	$ 15,939	20,048	35,987
Additions	358	-	358
Balance as of December 31, 2025	**$ 16,297**	**20,048**	**36,345**
Balance as of January 1, 2024	$ 14,970	20,048	35,018
Additions	969	-	969
Balance as of December 31, 2024	**$ 15,939**	**20,048**	**35,987**
Accumulated amortization and impairment losses:			
Balance as of January 1, 2025	$ 14,410	1,000	15,410
Amortization for the year	538	-	538
Balance as of December 31, 2025	**$ 14,948**	**1,000**	**15,948**
Balance as of January 1, 2024	$ 13,757	1,000	14,757
Amortization for the year	653	-	653
Balance as of December 31, 2024	**$ 14,410**	**1,000**	**15,410**
Carrying amounts:			
Balance as of December 31, 2025	**$ 1,349**	**19,048**	**20,397**
Balance as of January 1, 2024	**$ 1,213**	**19,048**	**20,261**
Balance as of December 31, 2024	**$ 1,529**	**19,048**	**20,577**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

The amortization of intangible assets is respectively included in the statement of comprehensive income:

	For the years ended December 31,	
	2025	2024
Operating expenses	$ 538	653

(j) Short-term borrowings

The significant details of short-term borrowings were as follows:

	2025.12.31	2024.12.31
Unused credit line	$ 1,785,000	1,845,000

Please refer to Note 8 for details of the related assets pledged as collateral.

(k) Long-term borrowings

The significant terms and conditions of long-term borrowings were as follows:

	2025.12.31			
	Currency	Interest Rate	Maturity Date	Amount
Secured bank loans	TWD	2.12%~2.27%	2028.03.08	$ 1,008,000
Deduct: due within one year				50,000
Total				$ 958,000
Unused credit line				$ -

	2024.12.31			
	Currency	Interest Rate	Maturity Date	Amount
Secured bank loans	TWD	1.98%~2.28%	2028.03.08	$ 1,058,000
Deduct: due within one year				50,000
Total				$ 1,008,000
Unused credit line				$ -

Under credit/loan agreements, the Company shall maintain certain consolidated financial ratios on balance sheet date of semi and annual financial statements. (i.e. liabilities to equity ratio, interest coverage ratio, tangible net worth, etc.) Otherwise, the loans are due and payable immediately. The

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Company was in compliance with the financial covenants mentioned above.

Please refer to Note 8 for details of the related assets pledged as collateral.

(l) Operating Leases

1. Leases as Lessor

The Company leases its investment properties. Since almost all risks and rewards belonging to the ownership of the underlying asset have not been transferred and paid, these lease contracts are classified as operating leases. Please refer to note 6 (f) Investment property for details.

Maturity analyses of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

		2025.12.31	2024.12.31
Less than one year	$	73,794	66,555
One to two years		70,227	40,921
Two to three years		46,373	36,264
Three to four years		33,326	33,617
Four to five years		28,388	31,067
More than five years		4,388	38,097
Total undiscounted lease payments	**$**	**256,496**	**246,521**

Please refer to Note 6(s) for further information of the rental revenues incurred by leasing investment properties for the years ended December 31, 2025 and 2024.

(m) Employee benefits

1. Defined benefit plans

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

		2025.12.31	2024.12.31
Present value of the defined benefit obligations	$	69,909	80,136
Fair value of plan assets		(69,059)	(71,094)
Net defined benefit liabilities	**$**	**850**	**9,042**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1) Composition of plan assets

The Company 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 in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued two-year time deposits with interest rates offered by local banks.

The Company's pension reserve account in Bank of Taiwan amounted to $68,149 at the end of December 31, 2025. For information on the utilization of the labor pension fund assets including the assets allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Company on 2025 and 2024 were as follows:

	For the years ended December 31,	
	2025	**2024**
Defined benefit obligation at January 1	$ 80,136	86,283
Current service costs and interest	1,387	1,280
Remeasurement on the net defined benefit liability		
－Experience adjustments arising on the actuarial gain or loss	(4,663)	2,088
－Actuarial loss (gain) arising from changes in financial assumptions	1,434	(1,653)
Benefits paid by the plan assets	(8,385)	(7,862)
Defined benefit obligation at December 31	$ **69,909**	**80,136**

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company on 2025 and 2024 were as follows:

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

		For the years ended December 31,	
		2025	2024
Fair value of plan assets at January 1	$	71,094	71,032
Interest income		1,355	1,122
Remeasurement on the net defined benefit assets (liability)			
－Return on plan assets (excluding current interest)		4,953	6,637
Contributions made		42	165
Benefits paid by the plan assets		(8,385)	(7,862)
Fair value of plan assets at December 31	**$**	**69,059**	**71,094**

4) Expenses recognized in profit or loss

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

		For the years ended December 31,	
		2025	2024
Current service costs	$	27	52
Net interest of net liabilities for defined benefit obligations		5	106
	$	**32**	**158**
Operating cost	$	32	158
Selling expenses		-	-
Administration expenses		-	-
	$	**32**	**158**

5) Actuarial assumptions

The following are the Company’s principal actuarial assumptions:

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Present Value of defined benefit obligations:

	For the years ended December 31,	
	2025	**2024**
Discount rate	**1.63%**	**2.00%**
Future salary increases rate	**1.00%**	**1.00%**

The expected allocation payment made by the Company to the defined benefit plans for the one year period after the reporting date was $32.

The weighted-average duration of the defined benefit obligation is 9.74 years.

6) 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	
		Increased	**Decreased**
December 31, 2025			
Discount rate (0.25% change)	**$**	(962)	988
Increase in future salary (0.25% change)		962	(941)
December 31, 2024			
Discount rate (0.25% change)	**$**	(1,064)	1,094
Increase in future salary (0.25% change)		1,074	(1,049)

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.

2. Defined contribution plans

In accordance with the provisions of the Labor Pension Act, the Company contributes an amount equal to 6% of the employee’s monthly wages to the Labor Pension personal account with the Bureau of the Labor Insurance.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $12,095 and $12,677 for the years ended December 31, 2025 and 2024, respectively. Except for the accounts payable of $2,072 and $2,215, respectively, the Company has been contributed to the Bureau of the Labor Insurance.

(n) Income taxes

1. The components of income tax expense (gain) in the years 2025 and 2024 were as follows:

		For the years ended December 31,	
		2025	**2024**
Current tax expense			
Current period	$	133,966	145,216
Adjustment for prior periods		2,426	176
		136,392	145,392
Deferred tax expense			
Origination and reversal of temporary differences		1,568	6,692
Income tax expense from continuing operations	**$**	**137,960**	**152,084**

There was no income tax that was directly recognized in equity for 2025 and 2024.

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

		For the years ended December 31,	
		2025	**2024**
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement from defined benefit plans	**$**	**(1,637)**	**(1,240)**

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

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	For the years ended December 31,	
	2025	**2024**
Income before tax	$ **734,143**	**818,103**
Income tax using the statutory tax rate	146,829	163,621
Tax exemption for securities trading income	(175)	(150)
Other permanent differences	(12,207)	(8,255)
Tax adjustments in prior periods	2,426	176
Tax credits	(3,807)	(3,739)
Undistributed earnings additional tax	4,894	431
Income tax expense	$ **137,960**	**152,084**

2. Deferred Tax Assets and Liabilities

1) Unrecognized Deferred Tax Liabilities

The Company did not recognize any temporary differences related to investment in subsidiaries since the Company has the ability to control the time point when temporary differences are reversed, and it is certain that the differences will not be reversed in the foreseeable future. Related information as of December 31, 2025 and 2024 were as follow:

	2025.12.31	**2024.12.31**
Tax effect of taxable Temporary Differences	$ **88,813**	**82,069**

2) Recognized Deferred Tax Assets and Liabilities

	Unrealized Profit	Allowance for Inventory Valuation Losses	Defined Benefit Plans	Others	Total
Deferred Tax Assets:					
Balance at January 1, 2025	$ 7,056	8,922	1,809	1,068	18,855
Recognized in profit or loss	(1,057)	110	(2)	(219)	(1,168)
Recognized in other comprehensive income	-	-	(1,637)	-	(1,637)
Balance at December 31, 2025	$ **5,999**	**9,032**	**170**	**849**	**16,050**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

		Unrealized Profit	Allowance for Inventory Valuation Losses	Defined Benefit Plans	Others	Total
Balance at January 1, 2024	$	8,413	10,834	3,050	3,409	25,706
Recognized in profit or loss		(1,357)	(1,912)	(1)	(2,341)	(5,611)
Recognized in other comprehensive income		-	-	(1,240)	-	(1,240)
Balance at December 31, 2024	$	**7,056**	**8,922**	**1,809**	**1,068**	**18,855**

		Unrealized Profit
Deferred Tax Liabilities:		
Balance at January 1, 2025	$	1,081
Recognized in profit or loss		400
Balance at December 31, 2025	$	**1,481**
Deferred Tax Liabilities:		
Balance at January 1, 2024	$	-
Recognized in profit or loss		1,081
Balance at December 31, 2024	$	**1,081**

3. The Company’s income tax returns through 2023 have been examined and approved by the Tax Authority.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(o) Capital and reserves

As of December 31, 2025 and 2024, the authorized capital of the Company both consisted of 200,000 thousand shares and both issued worth $2,000,000, with par value of $10 per share, and its outstanding capital both consisted of 152,649 thousand shares of stock. All issued shares were paid up upon issuance.

Reconciliations of shares outstanding for the years ended December 31, 2025 and 2024, were as follows:

(Unit: Thousand Shares)

	Common Stock	
	For the Years Ended December 31,	
	2025	2024
Balance as of January 1	**152,649**	**152,649**
Balance as of December 31	**152,649**	**152,649**

1. Capital surplus

The components of the capital surplus were as follows:

	2025.12.31	2024.12.31
Share capital	$ 134,815	134,815
The movement of net stockholders of associates and joint ventures entity for using equity method	2,608	119
Other	628	628
	$ 138,051	**135,562**

In accordance with the ROC Company Act, realized capital reserves can only be reclassified as share capital or distributed as cash dividends after offsetting losses. The aforementioned capital reserves include share premiums and donation gains. In accordance with the securities offering and Issuance Guidelines, the amount of capital reserve to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount.

2. Retained earnings

According to the Articles of Incorporation, after-tax earnings are initially used to offset cumulative losses, and 10% of the remainder is set aside as a legal reserve, except when the legal reserve of the Company reaches paid-in capital of the Company. Special reserve may be appropriated if necessary, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1) Legal reserve

If the Company experienced profit for the year, the meeting of shareholders shall decide on the distribution of the statutory earnings reserve either by new shares or by cash, of up to 25 percent of the actual share capital.

2) Special reserve

In accordance with Permit No.1010012865 as issued by the Financial Supervisory Commission on 6 April 2012, a special reserve equal to the contra account of other shareholders' equity is appropriated from the current and prior period earnings. When the debit balance of any of the contra accounts in the shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

3) Earnings Distribution

During the meeting of shareholders on May 22, 2025 and May 21, 2024, the shareholders approved to distribute the 2024 and 2023 earnings, respectively, as follows:

	2024		**2023**	
	Dividend per share ($)	**Amount**	**Dividend per share ($)**	**Amount**
Dividends distributed to common shareholders				
Cash	$ 3.50	**534,270**	3.00	**457,946**

On March 4, 2026, the Company's Board of Directors resolved to appropriate the 2024 earnings respectively, as follows:

	2025	
	Dividend per share ($)	**Amount**
Dividends distributed to common shareholders		
Cash	$ 3.00	**457,946**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(p) Earnings per share

The following are the calculation of basic earnings per share and diluted earnings per share:

	For the years ended December 31,	
	2025	**2024**
Basic earnings per share:		
Profit attributable to ordinary shareholders	**$ 596,183**	**666,019**
Weighted average number of ordinary shares (thousand shares)	**152,649**	**152,649**
Basic earnings per share (NT dollars)	**$ 3.91**	**4.36**
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company (adjusted for the effects of all dilutive potential ordinary shares)	**$ 596,183**	**666,019**
Weighted average number of ordinary shares (thousand shares)	152,649	152,649
Effect of dilutive potential common shares		
profit sharing to employees (thousand shares)	524	468
Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	**153,117**	**153,117**
Diluted earnings per share (NT dollars)	**$ 3.89**	**4.35**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(q) Revenue from contracts with customers

1. Disaggregation of revenue

	For the years ended December 31, 2025		
	Power Supplies	**Marco Switches**	**Total**
Primary geographical markets			
Taiwan	$ 290,270	156,053	446,323
Mainland China	33,509	401,424	434,933
USA	288,863	96,493	385,356
Italy	2,780	207,834	210,614
Germany	163,928	22,144	186,072
Other countries	93,491	256,178	349,669
	$ 872,841	**1,140,126**	**2,012,967**
Major products			
Manufacturing and sales of electronic components	**$ 872,841**	**1,140,126**	**2,012,967**

	For the years ended December 31, 2024		
	Power Supplies	**Marco Switches**	**Total**
Primary geographical markets			
Taiwan	$ 347,390	196,487	543,877
Mainland China	30,020	408,244	438,264
USA	238,005	89,533	327,538
Italy	2,696	211,877	214,573
Germany	155,986	22,042	178,028
Other countries	121,810	257,314	379,124
	$ 895,907	**1,185,497**	**2,081,404**
Major products			
Manufacturing and sales of electronic components	**$ 895,907**	**1,185,497**	**2,081,404**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

2. Contract balances

	2025.12.31	2024.12.31	2024.1.1
Contract liabilities	$ 16,051	14,912	11,258

Contract liabilities are mainly derived from the difference between the time when the Company transfers goods or services to the customer to meet the performance obligation and the time when the customer pays. The Company will transfer revenue when the performance obligation is met.

(r) Remuneration of employees, directors and supervisors

On May 22, 2025, the Company amended its Articles of Incorporation pursuant to a resolution of the shareholders' meeting. Under the amended Articles, the Company's articles of incorporation require that earnings shall first be offset against any deficit. A minimum of 2% will be distributed as employee remuneration (the employee remuneration specified above, no less than 5% shall be allocated to grassroots employees.) and a maximum of 2% will be allocated as directors' and supervisors' remuneration. The recipients of shares and cash may include employees of the Company's affiliated companies who meet certain conditions. Distribution remuneration for employees, directors and supervisors shall be submitted to the shareholders' meeting report.

The remuneration of employees amounted to $23,015 and $25,835 and the remuneration of directors amounted to $15,343 and $17,223 for the years ended December 31, 2025 and 2024, respectively. These amounts are calculated using the Company's profit before tax for each period described above, and are determined using the earnings allocation method which stated under the Company's article. These remunerations were expensed under operating cost or expenses in 2025 and 2024. If there is a difference between the actual distribution amount in the following year and the estimated amount, it shall be dealt with according to the change in accounting estimates, and the difference shall be recognized as the profit and loss of the following year.

For the years ended December 31, 2024 and 2023, the Company estimated its employee remuneration amounted to $25,835 and $21,158, and the remuneration of directors amounted to $17,223 and $14,105, respectively. There were no differences between the amounts to be distributed as remuneration to employees and directors and those of the estimation made by the Company. Related information would be available at the Market Observation Post System after the meeting of the shareholders has been convened.

(s) Non-operating income and expenses

1. Interest income

The details of other income for the years ended December 31, 2025 and 2024, were as follows:

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	For the years ended December 31,	
	2025	**2024**
Interest income	**$ 15,800**	**32,437**

2. Other income

The details of other income for the years ended December 31, 2025 and 2024, were as follows:

	For the years ended December 31,	
	2025	**2024**
Rental income	$ 93,174	94,727
Others	16,716	16,595
Total	**$ 109,890**	**111,322**

3. Other income and losses

The details of other income and losses for the years ended December 31, 2025 and 2024, were as follows:

	For the years ended December 31,	
	2025	**2024**
Gains (losses) from disposal of property, plant and equipment	$ -	(1)
Foreign exchange gains	(1,989)	58,888
Net gains on financial assets measured at fair value through profit or loss	1,069	798
Others	-	(3,615)
Total	**$ (920)**	**56,070**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

4. Finance costs

The details of finance expenses for the years ended December 31, 2025 and 2024, were as follows:

	For the years ended December 31,	
	2025	**2024**
Interest expenses		
Bank borrowings	**$ (22,964)**	**(23,819)**

5. Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method

	For the years ended December 31,	
	2025	**2024**
Long-term investment income	**$ 60,569**	**45,181**

(t) Financial instruments

1. Credit risks

1) Credit risks exposure

The maximum credit risk exposure of the Company on December 31, 2025 and 2024 that may be caused by the failure of the counterparty to perform its obligations and financial guarantees provided by the Company mainly comes from:

A. the book value of financial assets recognized on the balance sheet

B. financial guarantees provided by the Company were $102,465 and $100,305, respectively.

2) Condition of credit risk concentration

In order to reduce the credit risk of accounts receivable, the Company continuously evaluates the financial status of customers. The Company still regularly evaluates the possibility of accounts receivable recovery and makes allowance for losses, and the impairment losses are always within the expectations of the management. As of December 31, 2025 and 2024, 42% and 43% of accounts receivable were attributable to three major customers. Thus, credit risk is significantly centralized.

3) Credit risk of accounts receivable

Please refer to Note (6) (c) for further information about credit risk exposure of notes receivable and accounts receivable.

Other financial assets measured at amortized cost include other receivables. Please refer to Note (6) (d) for further information and the provision of allowance for losses.

Other receivables are financial assets with low credit risk. Therefore, the amount of allowance for losses for the period is calculated based on the 12-month expected credit loss amount for the period (please refer to Note (4) (f) for the explanation of how the Company determines that the credit risk is low).

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

2. Liquidity risks

The following are the contractual maturities of financial liabilities of the Company, including the impact of estimation of interest:

	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2025							
Non-derivative financial liabilities							
Secured bank loans	$ 1,008,000	1,055,082	35,913	35,701	70,522	912,946	-
Notes payable	5,201	5,201	5,201	-	-	-	-
Accounts payable	284,547	284,547	284,547	-	-	-	-
Other payables	173,580	173,580	173,580	-	-	-	-
Guarantee deposits received	18,058	18,058	777	1,060	531	14,347	1,343
	$ 1,489,386	**1,536,468**	**500,018**	**36,761**	**71,053**	**927,293**	**1,343**
December 31, 2024							
Non-derivative financial liabilities							
Secured bank loans	$ 1,058,000	1,126,032	36,170	35,965	71,070	982,827	-
Notes payable	10,491	10,491	10,491	-	-	-	-
Accounts payable	267,279	267,279	267,279	-	-	-	-
Other payables	217,988	217,988	217,988	-	-	-	-
Guarantee deposits received	21,148	21,148	9,470	3,515	1,057	621	6,485
	$ 1,574,906	**1,642,938**	**541,398**	**39,430**	**72,127**	**983,448**	**6,485**

The Company is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

3. Currency risks

1) Exposure to currency risks

The Company’s exposures to significant currency risk were those from its foreign currency denominated financial assets and liabilities as follows:

	2025.12.31		
	Foreign currency (In thousand)	**Exchange rate**	**TWD**
Financial assets			
Monetary items			
USD	$ 23,415	USD：TWD 31.4000	735,231
EUR	3,982	EUR：TWD 36.8500	146,737
CNY	121,029	CNY：TWD 4.4910	543,541
Non-monetary items			
USD	$ 15,076	USD：TWD 31.4000	473,386
CNY	89,498	CNY：TWD 4.4910	401,936
EUR	2,479	EUR：TWD 36.8500	91,351
Financial Liabilities			
Monetary items			
USD	$ 1,007	USD：TWD 31.4000	31,620
CNY	12,027	CNY：TWD 4.4910	54,013
JPY	109,076	JPY：TWD 0.2007	21,892

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	2024.12.31			
		Foreign currency (In thousand)	Exchange rate	TWD
Financial assets				
Monetary items				
USD	$	11,356	USD：TWD 32.7810	372,261
EUR		1,081	EUR：TWD 34.1316	36,896
CNY		21,765	CNY：TWD 4.4913	97,753
Non-monetary items				
USD	$	14,152	USD：TWD 32,7810	463,917
CNY		85,988	CNY：TWD 4.4913	386,199
EUR		2,183	EUR：TWD 34.1316	74,509
Financial Liabilities				
Monetary items				
USD	$	765	USD：TWD 32,7810	25,077
CNY		10,819	CNY：TWD 4.4913	48,591

2) Sensitivity analysis

The Company’s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, accounts payable and other payables that are denominated in foreign currency. A 1% depreciation or appreciation of the functional currency against all the non-functional currency as of December 31, 2025 and 2024 would have increased or decreased the net profit after tax by $10,544 and $3,466, respectively. The analysis is performed on the same basis for both periods.

3) Gains or losses on foreign exchange

For the years ended December 31, 2025 and 2024, the foreign exchange gain (loss), including realized and unrealized, amounted to $(1,989) and $58,888, respectively.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

4. Interest rate analysis

The Company’s financial assets and financial liabilities with interest rate exposure risk were noted in the liquidity risk section.

The following sensitivity analysis in interest rates is based on the risk exposure to interest rates on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date.

If the interest rate increases or decreases by 1%, the Company’s profit will decrease or increase by $8,064 and $8,464 for the years ended December 31, 2025 and 2024, respectively, assuming all other variable factors remain constant. This is mainly due to the Company's variable rate in borrowings.

5. Fair value of financial instruments

1) Fair value hierarchy

Financial assets at fair value through profit or loss are measured on a recurring basis. However, for financial instruments not measured at fair value whose carrying amount is estimated reasonably close to the fair value and for equity investments that has no quoted prices in the active markets and lease liabilities information is not required:

	2025.12.31				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Beneficiary certificate	$ 190,261	190,261	-	-	190,261
Financial assets at fair value through other comprehensive income					
Equity instruments without quoted market prices	10,000	-	-	10,000	10,000
Financial assets at amortized cost					
Cash and cash equivalents	624,107	-	-	-	-
Notes receivable, accounts receivable and other receivables	290,860	-	-	-	-

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	2025.12.31				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Guarantee deposits paid	84	-	-	-	-
Subtotal	915,051	-	-	-	-
Total	**$ 1,115,312**	**190,261**	-	**10,000**	**200,261**
Financial liabilities at amortized cost					
Bank loans	$ 1,008,000	-	-	-	-
Notes payable and accounts payable	289,748	-	-	-	-
Other payables	173,580	-	-	-	-
Guarantee deposits received	18,058	-	-	-	-
Total	**$ 1,489,386**	-	-	-	-

	2024.12.31				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Beneficiary certificate	$ 181,069	181,069	-	-	181,069
Financial assets at amortized cost					
Cash and cash equivalents	723,990	-	-	-	-
Notes receivable, accounts receivable and other receivables	316,959	-	-	-	-
Guarantee deposits paid	84	-	-	-	-
Subtotal	1,041,033	-	-	-	-
Total	**$ 1,222,102**	**181,069**	-	-	**181,069**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	2024.12.31				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities at amortized cost					
Bank loans	$ 1,158,000	-	-	-	-
Notes payable and accounts payable	277,770	-	-	-	-
Other payables	217,988	-	-	-	-
Guarantee deposits received	21,148	-	-	-	-
Total	**$ 1,574,906**	-	-	-	-

2) Valuation techniques and assumption for financial instruments measured at fair value:

The fair value of financial assets and liabilities were decided in accordance with the solutions as follows:

(2.1) Funds are financial assets with standard terms which are traded in the active markets. Their fair values are based on the quoted market prices.

(2.2) The fair value of unquoted equity instruments were estimated using either the discounted cash flow model in which future cash flow were estimated and discounted or the fair value of the recognized assets and liabilities of the consolidated subsidiaries on the measurement day.

3) Transfers between levels

There were no transfers between any level of the fair value for the years ended December 31, 2025 and 2024.

4) Changes in level 3 of the fair value:

	At fair value through profit or loss
	For the years ended December 31,
	2025
Balance as of January 1,	$ -
Purchase	10,000
Balance as of December 31,	**$ 10,000**

The Company's measurement of the fair value of financial instruments is reasonable, but the use of different evaluation models or evaluation parameters may lead to different evaluation results. For financial instruments classified as level 3, a 0.5% up or down of the evaluation parameter changes would have increased (decreased) the net profit by $50.

(u) Financial risk management

1. Overview

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

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Company’s objectives, policies and processes for measuring and managing the above mentioned risks.

2. Risk management framework

The Company's financial management department provides services for each business, coordinates the entry into the domestic and international financial markets, and monitors and manages the financial risks related to the Company's operations by analyzing internal risk reports based on the degree and breadth of risk. The Company will use derivative financial instruments to evade storm risk in order to reduce the impact of these risks. The use of derivative financial instruments is regulated by the policies adopted by the Company's board of directors, which are written principles for exchange rate risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of remaining liquid funds. Internal auditors continue to review compliance with policies and the risk limit. The Company does not trade financial instruments (including derivative financial instruments) for speculative purposes. The financial management department reports quarterly to the Company's board of directors. The board of directors is an independent organization responsible for monitoring risks and implementing policies to reduce risk.

3. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company is exposed to credit risk primarily through its accounts receivable.

1) Accounts receivable and other receivable

The Company's credit risk exposure is mainly affected by the individual conditions of each customer. However, the management also considers the statistical data of the Company's customer base, including the default risk of the customer's industry and country, as these factors may affect credit risk.

The sales department has established a credit policy. According to this policy, the Company must analyze the credit rating of each new customer individually before granting standard payment and shipping conditions and terms. The Company's review is based on external ratings and, in some cases, bank notes. The purchase limit is established by individual customers. This limit is regularly reviewed. Customers who do not meet the Company's benchmark credit rating can only trade with the Company on an advance receipt basis.

The Company has set up a loss allowance account to reflect the estimated loss of accounts receivable and other receivables and investments.

2) Investments

The credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the Company's financial department. Since the Company’s trading partners and contract performance parties are creditworthy banks and financial institutions and corporate organizations with investment grade or above, there are no major performance concerns, so there is no major credit risk.

3) Guarantee

The Company’s policy stipulates that only financial guarantees can be provided to related parties or parties with transactions. Please refer to Note 13(a) for further guarantee information as of December 31, 2025 and 2024.

4. Liquidity risk

Liquidity risk is a risk that the Company is unable to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as much as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

Generally speaking, the Company ensures that there is sufficient cash to meet the expected operating expenditure requirements for 60 days, including the fulfillment of financial obligations, but excludes potential impacts that cannot be reasonably expected under extreme circumstances, such as natural disasters. As of December 31, 2025 and 2024, the Company's unused credit line were amounted to $1,785,000 and $1,845,000, respectively.

5. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate, and equity prices which will affect the Company’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.

In order to manage market risks, the Company chooses reputable securities investment trust companies for financial asset transactions, and manages market risks through professional managers

1) Currency risk

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of the Company primarily the New Taiwan Dollars (TWD), and USD, EUR and CNY, etc.. The currencies used in these transactions are denominated in TWD, EUR, USD, JPY and CNY.

Loan interest is priced in the currency of the principal of the loan. Generally speaking, the currency of the loan is the same as the currency of the cash flow generated by the Company's operations, mainly the New Taiwan dollar. In this case, economic hedging is provided without the need to sign derivatives, so hedging accounting is not adopted.

Regarding other monetary assets and liabilities denominated in foreign currencies, when short-term imbalance occurs, the Company buys or sells foreign currencies at real-time exchange rates to ensure that the net risk insurance remains at an acceptable level.

2) Interest rate risk

The Company’s interest rate risk arises from long-term and short-term borrowings bearing floating interest rates. The fluctuations of the market interest rate changes with the floating interest rates of the long-term and short-term borrowings, and thus affect the future cash flow. However, market interest rates have not changed much, so changes in interest rates will not generate significant cash flow risks.

(v) Capital Management

The Board’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, additional paid-in capital, retained earnings of the Company. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company's capital management goal is to ensure the ability to continue operations, to continue to provide shareholder compensation and other stakeholders' benefits, and to maintain the best capital structure to reduce capital costs.

In order to maintain or adjust the capital structure, the Company may adjust dividends paid to shareholders, reduce capital to return shareholders' shares, issue new shares or sell assets to settle liabilities.

The Company’s debt to equity ratio at the reporting date was as follows:

	2025.12.31	2024.12.31
Profit	$ **596,183**	**666,019**
Total Equity	$ **3,977,419**	**3,919,071**
Return on Equity	**14.99%**	**16.99%**

According to the Company’s management, there were no changes in the Company’s approach to capital management as of December 31, 2025.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(7) Related Party Transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the parent company only financial statements.

Name of related party	Relationship with the Company
Zippy USA Inc.	Subsidiary
Zippy International Holding Ltd.	Subsidiary
QUAN-FA CORPORATION COMPANY	Subsidiary
Zippy Technology Europe Gmbh	Subsidiary
Landmark International Holding Ltd.	Subsidiary
Kobot International Inc.	Indirect holding subsidiary
Zippy (Dongguan) Electronics Co., Ltd.	Indirect holding subsidiary
Zippy (Suzhou) Electronics Co. , Ltd.	Indirect holding subsidiary
G-BRIM International Inc.	Indirect holding subsidiary

(b) Significant transactions with related parties

1. Sale revenue

The amounts of significant sales transactions and outstanding balances between the Company and related parties were as follows:

	For the years ended December 31,	
	2025	**2024**
Subsidiaries		
Zippy (Suzhou) Electronics Co. , Ltd.	$ 301,405	308,578
Zippy USA Inc.	266,634	234,817
Zippy Technology Europe Gmbh	110,793	96,349
Other subsidiaries	20,653	18,356
	$ 699,485	**658,100**

The sales price to related parties for the Company is determined in accordance with mutual agreements. The collection term is within two to four months, and the Company collects within one to two months. Unrealized profit (loss) from sales to the subsidiaries of the Company for the years ended December 31, 2025 and 2024 were $29,996 and $35,281, respectively.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

2. Purchase

The amounts of significant purchase transactions between the Company and related parties were as follows:

	For the years ended December 31,	
	2025	**2024**
Zippy (Dongguan) Electronics Co., Ltd.	**$ 375,173**	**370,381**

The purchase of goods from related parties is mainly the purchase of raw materials. The price and terms were determined in accordance with mutual agreements. The payment period with the related party is usually within two to four months, except that some related parties use the prepayment method for payment or depending on their funding needs.

3. Purchasing material for subsidiaries

The amounts of significant purchase transactions between the Company and related parties were as follows:

	For the years ended December 31,	
	2025	**2024**
Zippy (Dongguan) Electronics Co., Ltd.	**$ 228,467**	**238,986**

4. Processing and repair costs

The amounts of significant processing and repair costs between the Company and related parties were as follows:

	For the years ended December 31,	
	2025	**2024**
QUAN-FA CORPORATION COMPANY	**$ 56,943**	**53,352**

5. Accounts receivable from related parties

The amounts of accounts receivable between the Company and related parties were as follows:

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Financial Statement Account	Related Party Categories		2025.12.31	2024.12.31
Accounts receivable	Zippy (Suzhou) Electronics Co. , Ltd.	$	39,699	50,884
	Zippy Technology Europe Gmbh		45,568	39,590
	G-BRIM International Inc.		3,720	1,866
	Other subsidiaries		7,666	4,733
Other receivables	Other subsidiaries		153	-
		$	**96,806**	**97,073**

As of December 31, 2025 and 2024, no allowance for losses has been provided for the above accounts receivable.

6. Accounts payable to Related Parties

The amounts of accounts payables between the Company and related parties were as follows:

Financial Statement Account	Related Party Categories		2025.12.31	2024.12.31
Accounts payable	Zippy (Dongguan) Electronics Co., Ltd.	$	54,014	48,591
Other payables	QUAN-FA CORPORATION COMPANY		14,149	14,586
	Other subsidiaries		35	115
		$	**68,198**	**63,292**

Other payables are mainly the payments of processing costs.

7. Property transactions

For the years ended December 31, 2020, the Company sold machinery to Zippy (Dongguan) Electronics Co., Ltd., generated gain on disposal of $213 and other income of $17,190. As of December 31, 2025 and 2024, the unrealized other revenues were $3,481 and $3,625.

8. Guarantee

The Company had provided a guarantee for loans for related parties were as follows:

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

		2025.12.31	2024.12.31
Zippy (Dongguan) Electronics Co., Ltd.	$	47,130	49,140
Zippy Technology Europe GmbH.		55,335	51,165
	$	**102,465**	**100,305**

9. The Company provided collateral for subsidiaries’ loans, please refer to Note 8.

(c) Key management personnel compensation

Key management personnel compensation includes:

		For the years ended December 31,	
		2025	**2024**
Short-term employee benefits	$	68,671	72,267
Post-employment benefit		489	627
Termination benefits		-	83
	$	**69,160**	**72,977**

(8) Pledged Assets

The carrying values of pledged assets were as follows:

Pledged assets	Object		2024.12.31	2024.12.31
Property, plant and equipment	Long-term, Short-term borrowings	$	790,745	795,117
Investment property	Long-term borrowings		1,952,576	1,962,818
Total		**$**	**2,743,321**	**2,757,935**

(9) Significant Commitments and Contingencies: None.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other

(a) The employee benefits, depreciation, depletion and amortization expenses categorized by function were as follows:

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

By function / By item	For the years ended December 31, 2025			For the years ended December 31, 2024		
	Operating costs	Operating and non-operating expense	Total	Operating costs	Operating and non-operating expense	Total
Employee benefits						
Salary	214,267	169,506	383,773	218,692	207,079	425,771
Labor and health insurance	26,058	11,830	37,888	25,369	11,846	37,215
Pension	7,012	5,115	12,127	7,497	5,338	12,835
Remuneration of directors	-	15,616	15,616	-	17,441	17,441
Others	10,684	6,161	16,845	10,940	6,198	17,138
Depreciation	35,082	14,845	49,927	42,170	17,892	60,062
Amortization	80	458	538	226	427	653

The Company For the years ended December 31, 2025 and 2024 employees and employee benefits expenses were as follows:

	2024	2024
Number of employees	547	560
Number of directors who were not employees	6	5
The average employee benefit	$ 833	888
The average salaries and wages	$ 709	767
Average adjustment of employee salaries and wages	(7.56)%	20.41%
Remuneration of supervisors	$ -	-

The Company’s salary and remuneration policy (including directors, supervisors, managers and employees) are as follows:

The Company’s remuneration policy is aimed at enhancing long-term competitiveness and sustainable operation capabilities, enhancing the overall operation of the Company in the future, and creating long-term sustainable shareholders value. The remuneration policy for directors and supervisors is clearly stipulated in the Company's articles of association, and is distributed after approval by the remuneration committee, board of directors and shareholders’ meeting. The salaries of managers and employees are considered and adjusted in accordance with relevant company regulations and comprehensive evaluation items, such as company operating performance (revenue, net profit after tax, etc.), overall salary, and personal performance.

(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 for the year ended December 31, 2025:

1. Loans to other parties:

(In Thousands of EUR/USD)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits	Maximum limit of fund financing
1	Zippy USA Inc.	Kobot international Inc.	Other receivables-related parties	Y	35,168 (USD 1,120)	22,608 (USD 720)	22,608 (USD 720)	1.51 ~ 2.50	2	-	Working Capital	-		-	634,363	634,363

Note 1: Purpose of fund financing for the borrower:

(1) For those companies with business contact, please fill in 1.

(2) For those companies with short-term financing needs, please fill in 2.

Note 2: (1) The Company’s total fund financing amount cannot exceed 40% of its net asset value.

(2) For those companies with business contact, the amount of each fund financing cannot exceed the trading amount between the two parties.

If the trading amount exceeds 10% of its net asset value, the amount of each fund financing cannot exceed 10%of its net asset value.

The trading amount means the higher of sales or purchases.

(3) For those companies with short-term financing needs, the amount of each fund financing cannot exceed 10%of its net asset value.

Note 3: The policies of loans to other parties for the subsidiaries:

(1) Total financing amount cannot exceed 2 times of the subsidiary’s net asset value.

(2) For those companies with short-term financing needs, the amount of each fund financing cannot exceed 10% of the subsidiaries net asset value.

(3) For the subsidiary leading to the foreign companies that are 100% directly or indirectly owned by the Company, the amount of fund financing cannot exceed 2 time of the subsidiary’s net asset value.

Note 4: The transactions and its limits with the Group, which were calculated based on the exchange rate at the end of the period, were eliminated in the consolidated financial statements.

2. Guarantees and endorsements for other parties:

(In Thousands of EUR/USD)

No.	Endorsement/ guarantee provider	Counter-party: Name	Counter-party: Nature of relationship (Note 1)	Limitation on endorsement/ guarantee amount provided to each guaranteed party (Note 2)	Maximum balance for the year (Note 2)	Ending balance	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statements	Maximum endorsement guarantee amount allowance (Note 2 and 3)	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China
0	The Company	Zippy (Dongguan) Electronics Co., Ltd.	4	1,590,968	47,130 (USD 1,500)	47,130 (USD 1,500)	-	-	1.18%	1,988,710	Y	N	Y
0	〃	Zippy Technology Europe GmbH.	4	1,590,968	55,335 (EUR 1,500)	55,335 (EUR 1,500)	14,756 (EUR 400)	-	1.31%	1,988,710	Y	N	N

Note 1: (1) The Company has business with the receiving parties.

(2) The Company holds directly or indirectly more than 50% of the common stock of the subsidiaries.

(3) The Company holds directly or indirectly more than 50% by the investee.

(4) The Company holds directly or indirectly more than 90% of the common stock of the subsidiaries.

(5) Based on the needs of contracting projects, companies in the same industry or jointly created mutual insurance companies in accordance with contractual provisions.

(6) The stockholders of the Company provide guarantee for the investee to their stockholding percentage.

(7) The inter-industry is engaged in joint and several guarantees for the performance of the pre-sale house sales contract in accordance with the regulations of the Consumer Protection Law.

Note 2: (1) The maximum guarantees and endorsements provide by the Company cannot exceed 50% of net asset of the Company.

(2) The maximum guarantees and endorsements for individual counter party cannot exceed 40% of net asset of the Company.

(3) The maximum guarantees and endorsements provide by the Company and subsidiaries cannot exceed 50% of net asset of the Company.

(4) For those companies with business contact, the amount of each guarantees and endorsements cannot exceed the trading amount within twelve months between the two parties.

Note 3: The policies of loans to other parties for the subsidiaries:

(1) Total amount of guarantees and endorsements cannot exceed 2 times of the subsidiary’s net asset value.

(2) The amount of guarantees and endorsements for individual counter party cannot exceed 40% of net asset of the subsidiary or the net asset of the endorsed company is limited; if approved by the board of directors, the maximum endorsement guarantee of the subsidiary to other subsidiaries hold directly or indirectly 100% by a single parent company cannot exceed 2 time of the subsidiary’s net asset value.

Note 4: The amount of guarantees and endorsements were exchanged to New Taiwan Dollars in the actual exchange rate at the time of guarantee.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

3. Securities held as balance sheet date (excluding investment subsidiaries, associates and joint ventures) :

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands) (Note)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss	5,552	190,261	-	190,261	
〃	Soaring One Electronics And Power Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	500	10,000	14.29	10,000	

Note: Refers to the number of fund units (thousand units)

4. Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sale	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Zippy (Dongguan) Electronics Co., Ltd.	Associate under equity method	Purchases	375,173	56.98%	2~4 months	Note 1	Note 2	(54,014)	(18.64)%	
〃	〃	〃	Purchasing material for subsidiaries	(228,467)	- %	2~4 months	Note 1	Note 2	-	- %	
〃	Zippy USA Inc. Ltd.	〃	Sales	(266,634)	13.25%	2~4 months	Note 1	Note 2	7,666	2.70%	
〃	Zippy (Suzhou) Electronics Co. , Ltd.	〃	Sales	(301,405)	14.97%	2~4 months	Note 1	Note 2	39,699	13.97%	
〃	Zippy Technology Europe GmbH.	〃	Sales	(110,793)	5.50%	2~4 months	Note 1	Note 2	45,568	16.03%	

Note 1: Based on the negotiated price while trading.

Note 2: Normal customers are within one to two months, while related party transactions are within two to four months.

5. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of capital stock: None.

(b) Information on investment:

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

Unit: thousand shares

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Net income (loss) of the investee (Note 1)	Share of profits/losses of investee (Note 1)	Note
				December 31, 2025	December 31, 2024	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
The Company	Zippy USA Inc.	USA	Trading in micro switches, power supplies, and computer accessories	8,247	8,247	300	100.00%	307,913	15,697	15,697	Subsidiary
〃	Zippy International Holding Ltd.	BVI	Reinvestment business	325,823	325,823	10,234	100.00%	336,729	17,236	17,236	〃
〃	QUAN-FA CORPORATION COMPANY	Taiwan	Wire and cable manufacturing, electronic component manufacturing	16,425	5,360	5,599	79.66%	72,475	4,702	3,746	〃
〃	Zippy Technology Europe GmbH.	Germany	Trading in electrical parts and computer accessories	12,573	12,573	(Note 2)	100.00%	75,939	10,428	10,428	〃
〃	Landmark International Holding Ltd.	Samoa	Reinvestment business	145,906	145,906	4,425	100.00%	215,779	13,463	13,463	〃
Zippy International Holding Ltd.	Kobot International Inc.	USA	Leasing	16,470	16,470	(Note 2)	100.00%	156,208	13,068	13,068	Sub-subsidiary

Note 1: Based on the financial report of the investment company audited by CPA to recognize under equity method.

Note 2: Obtaining equity.

(c) Information on investment in Mainland China:

1. The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2 and 3)	Book value (Note 2 and 3)	Accumulated remittance of earnings in current period (Note 10)
					Out-flow	Inflow						
Zippy (Dongguan) Electronics Co., Ltd.	Mainly produce various switches, power supplies, molds, computer peripheral equipment, computer optical fiber parts and sales	276,957 (USD 8,500 and equipment investment USD 283)	(2)	276,957 (USD 8,783)	-	-	276,957 (USD 8,783)	844	100.00%	844	180,733	-
Zippy (Suzhou) Electronics Co. , Ltd.	Mainly sell computer key components, power supplies, precision ceramics, precision molds and key components of network equipment	82,375 (USD 2,500)	(2)	82,375 (USD 2,500)	-	-	82,375 (USD 2,500)	5,590	100.00%	5,590	97,120	-
G-BRIM International Inc.	Mainly engaged in electronic products, plastic products, rubber products, hardware products, import and export and related supporting businesses, etc.	49,333 (USD 1,500)	(2)	49,333 (USD 1,500)	-	-	49,333 (USD 1,500)	7,977	100.00%	7,977	123,273	-

Note 1: There are three ways of investments as following:

(a) Direct investment in Mainland China.

(b) Indirect investment in Mainland china through a subsidiary in a third place (Zippy International Holding Ltd. and Landmark International Holding Ltd.).

(c) Others

Note 2: The base of recognition of investment income (loss) is the financial statement audited by CPA of the investee company.

Note 3: The inter-company transactions with the Company were eliminated in the consolidated financial statements

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

2. Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
401,386 (USD 12,783)	408,200 (USD 13,000)	2,386,451

Note 1: The amount of paid-in capital and accumulated investment in Mainland China were exchanged to New Taiwan Dollars in historical exchange rates. Others were exchanged to New Taiwan Dollars in spot rate at the date of the audited entity's financial reports.

Note 2: The upper limit on investment is 60% of net value.

3. Significant transactions:

The significant inter-company transactions, which eliminated in the consolidated financial statements, with the subsidiary in Mainland China for the year ended December 31, 2025, are disclosed in “Information on significant transactions”.

(14) Segment Information

Please refer to consolidated financial report of Zippy Technology Corp. for the year ended December 31, 2025.

ZIPPY TECHNOLOGY CORP.

Statement of Cash and Cash Equivalents

December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description			Amount
Cash	Petty cash		$	194
Cash in bank	Checking accounts:			
	NTD			87
	Demand deposits:			
	NTD			42,227
	USD	1,351		42,418
	HKD	159		643
	EUR	55		2,032
	CNY	1,763		7,917
	GBP	1		36
	JPY	22,630		4,542
	Time deposits:			
	NTD			370,000
	USD	2,030		63,742
	CNY	20,100		90,269
	Subtotal			623,913
			$	**624,107**

ZIPPY TECHNOLOGY CORP.

Statement of financial assets at fair value through profit or loss - current

For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

financial instrument	Description	Share or units	Par value	Total amount	Interest rate	Acquisition cost	Fair value Unit price	Fair value Total amount	Attribute to credit risk of fair value changes	Note
Mandatorily measured at fair value through profit or loss - Beneficiary certificates:										
Fund	Fuh Hwa Money Market	5,552	-	-	- %	$ 190,000	15.1900	190,261	-	

ZIPPY TECHNOLOGY CORP.

Statement of Notes Receivable

December 31, 2025

(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount	Note
Non-related parties:			
Ashinne Technology Co. , Ltd.	Business	$ 1,744	
BGM, Inc.	〃	1,169	
Best Joint Electronics Corp.	〃	906	
Fego Precision Industrial Co. ,Ltd.	〃	622	
Other (The year-end balance of each client doesn't exceed 5% of the account balance.)	〃	2,813	
Subtotal		7,254	
Less: Allowance for impairment		22	
Net amount		$ **7,232**	

Statement of Trade Receivables

Client Name	Description	Amount	Note
Related parties:			
Zippy (Suzhou) Electronics Co. , Ltd.	Business	$ 39,699	
Zippy Technology Europe GmbH.	〃	45,568	
Zippy USA Inc.	〃	7,666	
G-BRIM international Inc.	〃	3,720	
Subtotal		96,653	
Non-related parties:			
Cebi Italy S.P.A.	Business	32,983	
Other (The year-end balance of each client doesn't exceed 5% of the account balance.)	〃	150,261	
Subtotal		183,244	
Less: Allowance for impairment		2,913	
Net amount		180,331	
Total		**$ 276,984**	

ZIPPY TECHNOLOGY CORP.

Statement of Other Receivables

December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Related parties:			
Zippy International Holding Ltd.		$ 153	
Non-related parties:			
Tax refund receivable	Business tax	5,983	
Earned revenue receivable	Interest receivable from bank	508	
		6,491	
Total		**$ 6,644**	

Statement of Inventor

Item	Amount		Note
	Cost	Net realized value	
Raw materials	$ 270,593	249,409	
Work in process	154,994	135,271	
Finished goods	44,714	40,459	
	470,301	**425,139**	
Less: Allowance for inventory market decline and obsolescence	45,162		
Total	**$ 425,139**		

ZIPPY TECHNOLOGY CORP.

Statement of Other prepayments

December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments	Insurance	$ 2,404	
	work in process – outsourced.	492	
	Advertisement	688	
	Other (The year-end balance of each client doesn't exceed 5% of the account balance.)	60	
		$ 3,644	

Statement of Other Current Assets

Item	Description	Amount	Note
Payment on behalf of others	Mold payment, etc.	$ 882	
Temporary payment	Temporary payment of customs declaration fees	515	
		$ 1,397	

ZIPPY TECHNOLOGY CORP.

Statement of Changes in Investments Accounted for Using the Equity Method

For the Year Ended December 31, 2025

(In Thousands of New Taiwan Dollars)

	Beginning Balance		Addition		Decrease		Ending balance			Market Value or Net Assets Value			
Name of investee	**Shares (in thousand)**	**Amount**	**Shares (in thousand)**	**Amount**	**Shares (in thousand)**	**Amount**	**Shares (in thousand)**	**Percentage of ownership**	**Amount**	**Unit price**	**Total amount**	**Collateral**	**Note**
Zippy USA Inc.	300	$ 302,636	-	5,277	-	-	300	100.00%	307,913	1,057.27	317,182	None	
QUAN-FA CORPORATION COMPANY	4,493	55,430	1,106	17,045	-		5,599	79.66%	72,475	12.94	72,471	〃	
Zippy Technology Europe GmbH.	-	56,698	-	19,241	-		-	100.00%	75,939	-	91,359	〃	
Landmark International Holding Ltd.	4,425	201,615	-	14,164	-		4,425	100.00%	215,779	49.96	221,086	〃	
Zippy International Holding Ltd.	10,234	325,647	-	11,082	-		10,234	100.00%	336,729	32.92	336,874	〃	
		$ 942,026		**66,809**					**1,008,835**		**1,038,972**		

ZIPPY TECHNOLOGY CORP.

Statement of Other Non-current Assets

December 31, 2025

(In Thousands of New Taiwan Dollars)

Statement of Notes Payable

Vendor name	Description	Amount		Note
Non-related parties:				
Chin Mou Co., Ltd.	Business	$	2,435	
SinoPac Securities Corporation	〃		1,130	
Sunca Co., Ltd.	〃		539	
Hua Tai Electric Cable & Wire Co., Ltd.	〃		506	
Other (The year-end balance of each client doesn't exceed 5% of the account balance.)	〃		591	
		$	**5,201**	

ZIPPY TECHNOLOGY CORP.

Statement of Accounts Payable

December 31, 2025

(In Thousands of New Taiwan Dollars)

Vendor name	Description	Amount	Note
Related parties:			
Zippy (Dongguan) Electronics Co., Ltd.	Business	$ 54,014	
Non-related parties:			
TANAKA KIKINZOKU KOGYO K.K	Business	21,283	
Other (The year-end balance of each client doesn't exceed 5% of the account balance.)	Business	209,250	
		$ 284,547	

Statement of Other Payables

Item	Description	Amount
Non-related parties:		
Accrued expenses	Salary and year-end bonuses	$ 51,616
	Employee bonuses, and directors and supervisors' remuneration	38,358
	Processing expenses	50,958
	Non-leaving pay	12,068
Other payables	Accrued interests and purchase of PPE	6,396
		159,396
Accrued expenses to related party	QUAN-FA CORPORATION COMPANY	14,149
	Landmark International Holding Ltd.	35
		14,184
Total		$ 173,580

ZIPPY TECHNOLOGY CORP.

Statement of Other Current Liabilities

December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Temporary receipts	Pre-collected mold payment	$ 2,342	
Receipts under custody	From taxes, labor/health insurances and benefits	4,358	
		$ 6,700	

Statement of Operating Revenue

Item	Description	Amount	Note
Revenue from products:			
Marco switch		$ 1,141,146	
Power supplies		872,840	
Total		2,013,986	
Deduct:			
Sales return		688	
Sales discounts and allowances		331	
		$ 2,012,967	

ZIPPY TECHNOLOGY CORP.

Statement of Operating Costs

For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Amount	
	Subtotal	Total
Cost of goods sold from manufacturing	$	1,176,187
Direct material	531,655	
Add: Raw material, January 1	262,429	
Purchase	511,214	
Picking return	29,909	
Less: Raw material, December 31	(270,593)	
Sale	(1,304)	
Direct labor (including food stipend)	136,593	
Manufacturing expenses	362,978	
Cost of manufacturing	1,031,226	
Add: Work in process, January 1	156,919	
Purchase	15,596	
Less: Work in process, December 31	(154,994)	
Picking by each department	(636)	
Cost of working in process sold	(2,427)	
Cost of finished goods	1,045,684	
Add: Finished goods, January 1	44,083	
Purchase	131,624	
Less: Finished goods, December 31	(44,714)	
Picking by each department	(490)	
Cost of goods sold		1,176,187
Cost of material sold		1,304
Cost of working in process sold		2,427

Revenue from rework	(1,455)
Gain from price recovery of inventory	551
Revenue from sale of scraps	(150)
Total operating costs	**$ 1,178,864**

ZIPPY TECHNOLOGY CORP.

Statement of Selling Expenses

For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salary and wage (including food stipend)		$ 28,841	
Export		6,372	
Labor/health insurance		2,386	
Other (The amount doesn't exceed 5%)		6,119	
		$ 43,718	

Statement of Administrative Expenses

Item	Description	Amount	Note
Salary and wage (including food stipend)		$ 101,284	
Depreciation		13,711	
Miscellaneous		14,236	
Other (The amount doesn't exceed 5%)		30,023	
		$ 159,254	

Statement of Research and Development Expenses

Item	Description	Amount	Note
Salary and wage (including food stipend)		$ 43,842	
Inspection		5,082	
Labor/health insurance		3,879	
Other (The amount doesn't exceed 5%)		9,730	
		$ 62,533	