Excel Cell Electronic Company Limited

Parent company only Financial Statements for the Year Ended December 31, 2025 and 2024 and Independent Auditors' Report

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§CONTENTS§

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Excel Cell Electronic Company Limited

Opinion

We have audited the accompanying Parent company only financial statements of Excel Cell Electronic Company Limited (the "Company"), which comprise the Parent company only balance sheets as of December 31, 2025 and 2024, and the Parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the Parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other auditors (please refer to Other Matter section), the accompanying Parent company only financial statement present fairly, in all material respects, the Parent company only financial position of the Company as of December 31,2025 and 2024, and its Parent company only financial performance and its Parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis For Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Parent company only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matter identified in the Company's Parent company only financial statements for the year ended December 31, 2025 is discussed as follows:

<u>Recognition of sales revenue</u>
The Company's main sales items are electronic components such as programmable switches, relays and lead frames. Certain products which significant growth in customers significantly impact the overall operating revenue and profitability and are therefore identified as a key audit matter. Refer to Notes 4 to the Parent company only financial statements for accounting policies of revenue recognition.

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

1. We understood and tested the design and implementation of internal control over revenue recognition and verified, on a sampling basis, the appropriateness of the approved original orders.
2. We verified the authenticity of the revenue recognition by sampling the sales details of the major sales items to the original orders, sales slips and receipts.

Other Matter

We did not audit the financial statements of Fuzetec Technology Co., Ltd. accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these investments, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT$259,148 thousand and NT$259,263 thousand, constituting 6% and 7% of the Parent company only total assets as at December 31, 2025 and 2024, respectively, and the comprehensive income recognized from investments accounted for under the equity method amounted to NT$22,496 thousand and NT$30,903 thousand, constituting 28% and 63% of the Parent company only total comprehensive income for the years then ended, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements relative to these investees, is based solely on the reports of the other auditors.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Jiang, Shu-Jing and Hsu, Jui-Lung.

Independent Accountants

Hsu, Jui-Lung
Jiang, Shu-Jing

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 13, 2026

EXCEL CELL ELECTRONIC COMPANY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
CODE	ASSETS	AMOUNT	%	AMOUNT	%
	CURRENT ASSETS				
1100	Cash (Note 4 and 6)	$ 93,517	2	$ 135,817	3
1110	Financial assets at fair value through profit or loss – Current (Note 4 and 7)	-	-	20,819	-
1120	Financial assets at fair value through other comprehensive income – Current (Note 4 and 10)	127,832	3	67,448	2
1150	Notes receivable from unrelated parties (Note 4 and 8)	4,734	-	10,736	-
1170	Accounts receivable from unrelated parties (Note 4 and 8)	203,392	5	205,143	5
1180	Accounts receivable from related parties (Note 4, 8 and 21)	20,359	1	28,922	1
1200	Other receivables net (Note 17 and 21)	38,024	1	38,174	1
1310	Inventories (Notes 4 and 9)	293,817	7	264,359	7
1470	Other current assets (Note 21)	16,054	1	21,609	1
11XX	Total current assets	797,729	20	793,027	20
	NONCURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income – Noncurrent (Note 4 and 10)	26,098	1	93,581	2
1550	Investments accounted for using equity method (Note 4 and 11)	1,278,833	31	1,103,011	29
1600	Property, plant and equipment (Notes 4, 12, 21, 22 and 23)	1,858,658	46	1,752,415	45
1780	Intangible assets (Notes 4)	48,776	1	50,374	1
1840	Deferred income tax assets (Notes 4 and 17)	12,088	-	32,958	1
1915	Prepayment for equipment	47,008	1	31,066	1
1975	Net defined benefit asset – Noncurrent (Note 4 and 14)	-	-	18,278	1
1990	Other noncurrent assets	4,397	-	4,326	-
15XX	Total noncurrent assets	3,275,858	80	3,086,009	80
1XXX	TOTAL	$ 4,073,587	100	$ 3,879,036	100
CODE	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term loans (Note 13 and 22)	$ 440,000	11	$ 299,000	8
2170	Notes and accounts payables to unrelated parties	163,459	4	160,938	4
2180	Notes and accounts payables to related parties (Note 21)	30,437	1	29,551	1
2200	Other payables	78,291	2	77,331	2
2313	Deferred income (Note 4 and 13)	3,220	-	2,964	-
2320	Long-term loans - current portion (Note 13)	160,119	4	148,664	4
2399	Other current liabilities	16,184	-	15,250	-
21XX	Total current liabilities	$ 891,710	22	$ 733,698	19
	NONCURRENT LIABILITIES				
2540	Long-term loans (Note 13 and 22)	595,326	15	591,950	16
2570	Deferred income tax liabilities (Notes 4 and 17)	23,271	-	6,651	-
2630	Long-term deferred income (Note 4 and 13)	10,023	-	9,110	-
25XX	Total noncurrent liabilities	628,620	15	607,711	16
2XXX	Total liabilities	1,520,330	37	1,341,409	35
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
3110	Capital stock	1,078,898	26	1,090,938	28
3200	Capital surplus	227,137	6	227,137	6
	Retained earnings				
3310	Legal reserve	338,139	8	333,575	8
3320	Special reserve	16,972	1	16,972	-
3350	Unappropriated earnings	782,220	19	762,024	20
3400	Other equity	119,114	3	106,981	3
3500	Treasury shares	(9,223)	-	-	-
3XXX	Total equity	2,553,257	63	2,537,627	65
	TOTAL	$ 4,073,587	100	$ 3,879,036	100

The accompanying notes are an integral part of the Parent company only financial statements.
(With Deloitte & Touche auditors' report dated March 13, 2026)

EXCEL CELL ELECTRONIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2025 Amount	2025 %	2024 Amount	2024 %
4000	OPERATING REVENUE, NET (Note 4 and 21)	$ 1,187,356	100	$ 1,172,117	100
5000	OPERATING COSTS (Notes 9, 16 and 21)	1,081,897	91	1,025,495	88
5900	GROSS PROFIT	105,459	9	146,622	12
	OPERATING EXPENSES (Notes 8 and 16)				
6100	Selling and marketing expenses	41,655	4	46,453	4
6200	General and administrative expenses	87,726	7	87,664	7
6300	Research and development expenses	76,042	7	79,567	7
6000	Total operating expenses	205,423	18	213,684	18
6900	LOSS FROM OPERATIONS	(99,964)	(9)	(67,062)	(6)
	NON-OPERATING INCOME AND EXPENSES				
7050	Finance costs (Note 16)	(15,058)	(1)	(17,931)	(2)
7070	Share of profit of associates accounted for using the equity method (Note 4 and 11)	193,806	16	74,961	6
7100	Interest income	602	-	6,984	1
7190	Other income (Note 16 and 21)	20,120	2	20,269	2
7020	Other gains and losses (Note 16)	(2,028)	-	30,438	3
7000	Total non-operating income and expenses	197,442	17	114,721	10
7900	INCOME BEFORE INCOME TAX	97,478	8	47,659	4
7950	INCOME TAX EXPENSE (Notes 4 and 17)	32,903	2	9,749	1
8200	NET PROFIT FOR THE YEAR	64,575	6	37,910	3

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Code		2025 Amount	2025 %	2024 Amount	2024 %
	OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 14)	$ -	-	$ 9,728	1
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	8,874	1	(30,567)	(3)
8330	Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method (Note 11)	3,166	-	(3,690)	-
8349	Income tax related to items that will not be reclassified subsequently (Note 17)	(4,713)	(1)	(1,946)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	7,530	1	36,871	3
8380	Share of the other comprehensive income of associates accounted for using the equity method	178	-	827	-
8300	Other comprehensive gain (loss) for the year, net of income tax	15,035	1	11,223	1
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 79,610	7	$ 49,133	4
	EARNINGS PER SHARE (NT$, Note 18)				
9750	Basic	$ 0.60		$ 0.35	
9850	Diluted	$ 0.60		$ 0.35	

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

(With Deloitte & Touche auditors' report dated March 13, 2026)

EXCEL CELL ELECTRONIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		Share Capital (Note 15)	Capital Surplus (Note 15)	Retained Earnings (Note 15)			Other Equity (Note 4)		Treasury Shares	Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences on translation of foreign financial statements	Unrealized Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
A1	BALANCE AT JANUARY 1, 2024	$ 1,090,938	$ 227,137	$ 329,350	$ 16,972	$ 753,337	($ 42,013)	$ 145,441		$ 2,521,162
	Appropriation of 2022 earnings									
B1	Legal reserve	-	-	4,225	-	(4,225)	-	-		-
B5	Cash dividends	-	-	-	-	(32,728)	-	-		(32,728)
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	60	-	-		60
D1	Net profit for the year ended December 31, 2024	-	-	-	-	37,910	-	-		37,910
D3	Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	7,670	37,698	(34,145)		11,223
D5	Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	45,580	37,698	(34,145)		49,133
Z1	BALANCE AT DECEMBER 31, 2024	1,090,938	227,137	333,575	16,972	762,024	(4,315)	111,296		2,537,627
	Appropriation of 2024 earnings									
B1	Legal reserve	-	-	4,564	-	(4,564)	-	-		-
B5	Cash dividends	-	-	-	-	(32,728)	-	-		(32,728)
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	7,900	-	(7,900)		-
L1	Shares Buyback					-			(31,252)	(31,252)
L3	Retirement of Treasury Shares	(12,040)				(9,989)			22,029	-
D1	Net profit for the year ended December 31, 2025	-	-	-	-	64,575	-	-		64,575
D3	Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	(4,998)	7,708	12,325		15,035
D5	Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	59,577	7,708	12,325		79,610
Z1	BALANCE AT DECEMBER 31, 2025	$ 1,078,898	$ 227,137	$ 338,139	$ 16,972	$ 782,220	$ 3,393	$ 115,721	($ 9,223)	$ 2,553,257

The accompanying notes are an integral part of the Parent company only financial statements.
(With Deloitte & Touche auditors' report dated March 13, 2026)

EXCEL CELL ELECTRONIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

Code		2025	2024
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 97,478	$ 47,659
	Adjustments for:		
A20100	Depreciation expense	105,386	103,764
A20200	Amortization expense	5,214	5,594
A20300	Expected credit losses recognized (reversal)	(47)	234
A20400	Net profit of financial instruments at fair value through profit or loss	(144)	(5,899)
A20900	Finance costs	15,058	17,931
A21200	Interest income	(602)	(6,984)
A21300	Dividend income	(8,279)	(9,083)
A22400	Share of profit of subsidiaries and associates accounted for under equity method	(193,806)	(74,961)
A22500	Loss (gain) on disposal of property, plant and equipment, net	(49)	2,091
A22800	Loss on disposal of intangible assets	193	-
A23700	Inventory valuation and obsolescence loss	10,164	7,521
A24100	Net unrealized foreign exchange gain	(3,992)	(2,456)
A29900	Deferred Income	(3,233)	(2,768)
	Changes in operating assets and liabilities		
A31130	Notes receivable	6,002	(2,962)
A31150	Accounts receivable	13,397	(26,797)
A31180	Other receivables	35,805	(31,733)
A31200	Inventories	(33,723)	11,232
A31240	Other current assets	11,955	(15,354)
A32150	Notes and accounts payable	4,365	4,220
A32180	Other payables	960	1,583
A32230	Other current liabilities	935	(13,730)
A32240	Net defined benefit plan	(19,194)	1,149
A33000	Cash generated from operations	43,843	10,251
A33100	Interest received	602	6,984
A33200	Dividends received	37,507	43,809
A33300	Interest paid	(15,058)	(17,931)
A33400	Dividends paid	(32,728)	(32,728)
A33500	Income tax paid	(5,472)	(12,072)
AAAA	Net cash generated (outflow) from operating activities	28,694	(1,687)

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Code		2025	2024
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00020	Disposal of financial assets at fair value through other comprehensive income	$ 15,606	$ 682
B00200	Disposal of financial assets at fair value through profit or loss	20,963	35,957
B01800	Purchase of investments accounted for using the equity method	-	(32,010)
B02400	Proceeds from capital reduction of investment	-	298,108
B02700	Payments for property, plant and equipment	(206,562)	(218,408)
B02800	Proceeds from disposal of property, plant and equipment	148	70
B03700	Decreased (Increased) in Refundable deposits	281	(944)
B04500	Payments for intangible assets	(3,808)	(5,679)
B07100	Increase in prepayments for equipment	(26,600)	(34,135)
BBBB	Net cash generated (outflow) from investing activities	(199,972)	43,641
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase (Decrease) in short-term loans	141,000	(271,000)
C01600	Proceeds from long-term loans	167,894	195,383
C01700	Repayment of long-term loans	(148,664)	(140,323)
C04900	Shares Buyback	(31,252)	-
CCCC	Net cash flows from (used in) financing activities	128,978	(215,940)
EEEE	NET DECREASE IN CASH AND CASH EQUIVALENTS	(42,300)	(173,986)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	135,817	309,803
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 93,517	$ 135,817

The accompanying notes are an integral part of the parent company only financial statements.
(With Deloitte & Touche auditors' report dated March 13,2026)

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

1. COMPANY HISTORY

Excel Cell Electronic Company Limited (the "Company") was incorporated in December 1981 and is mainly engaged in the manufacture and sale of electronic components such as programmable switches, relays, terminal blocks, and lead frames, as well as the processing and sale of various batteries. Its products are main components for computer and communication equipment.

The Company's shares have been listed and traded on the Taiwan Stock Exchange since September 17, 2001. The parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved and authorized for issue by the Company's board of directors on March 6, 2026.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

Amendments to IAS 21 "Lack of Exchangeability"

The application of the amendments to IAS 21, Lack of Exchangeability did not have a material impact on the Company's accounting policies.

b. The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2026.

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

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and

Measurement of Financial Instruments”

1. The amendments to the application guidance of classification of financial assets
   The amendments mainly amend the requirements for the classification of financial assets, including:

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

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

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

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

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

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

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

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

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

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

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

Except for the impact described above, as of the date the parent company only financial statements were authorized for issue, the Company has assessed that the application of other standards will not have a material impact on the Company's financial position and financial performance.

c) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

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

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

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

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

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as 'other' only if it cannot find a more informative label.

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

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

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

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

Except for the above impact, as of the date the accompanying parent company only financial statements were authorized for issue, the Company continues in evaluating the impact on its financial position and financial performance from the initial adoption of the other standards or interpretations and related applicable period. The related impact will be disclosed when the Company completes its evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of Preparation

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

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

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

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

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

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

c. Classification of Current and Non-Current Assets and Liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period (even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the balance sheet date and before the financial reports are authorized for issue); and

3) Liabilities for which the Company does not have substantive rights to defer settlement of the liability for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

d. Business Combinations

Acquisitions of businesses are accounted for using the acquisition method.
Acquisition-related costs are generally expensed in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

The business combinations under organizational restructuring of the Company are not accounted by using the acquisition method but using the book-value method. When presenting comparative parent company only financial statements, the Company presented them as if it had always been combined and the parent company only financial statements were restated retrospectively.

e. Foreign Currencies

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

At the end of each balance sheet date, monetary items denominated in foreign currencies are retranslated at the closing rate at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise.

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction, and not retranslated subsequently.

For the purpose of presenting the parent company only financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Company) are translated into the New Taiwan dollar at the exchange rates at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

f. Inventories

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

g. Investments in subsidiaries

Investments in subsidiaries are accounted for using the equity method.

Subsidiaries are the entities controlled by the Company (including structure entities).

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

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

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

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) before any impairment loss have been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, any retained investment of the former subsidiary is measured at the fair value at that date. A gain or loss is recognized in profit or loss and calculated as the difference between (a) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and (b) the previous carrying amount of the investments in such subsidiary. In addition, the Company shall account for all amounts previously recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the subsidiary had directly disposed of the related assets and liabilities.

When the Company transacts with its subsidiaries, profits and losses resulting from the transactions with the subsidiaries are recognized in the Company's parent company only financial statements only to the extent of interests in the subsidiaries that are not owned by the Company.

h. Investments in Associates

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

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

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

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

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

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's parent company only financial statements only to the extent of interests in the associate that are not related to the Company.

i. Property, Plant, and Equipment

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

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

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

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

j. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

k. Impairment of Property, Plant and Equipment, Right-of-Use Asset, and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

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

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

l. Financial Instruments

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

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

1) Financial Assets

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

a) Measurement Category

Financial assets are classified into the following categories: financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income (FVTOCI).

i. Financial Assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL; such assets include debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 20.

ii. Financial Assets at Amortized Cost

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

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

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

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

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

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

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

A financial asset is credit impaired when one or more of the following events have occurred:

I. Significant financial difficulty of the issuer or the borrower;

II. Breach of contract, such as a default;

III. It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

IV. The disappearance of an active market for that financial asset because of financial difficulties.

iii. Investments in Equity Instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.
Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, it will be transferred to retained earnings.

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

b) Impairment of Financial Assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

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

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

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default without taking into account any collateral held by the Company:

i) Internal or external information shows that the debtor is unlikely to pay its creditors.

ii) When a financial asset is more than 180 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of Financial Assets

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

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

2) Financial Liabilities

a) Subsequent measurement

The Company's financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

m. Revenue Recognition

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

For contracts where the period between the date on which the Company transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.
Sales of goods are recognized as revenue when the goods are delivered to the customer's specific location, the goods are shipped and the goods are picked up by customers because it is the time when the customer has full discretion over the manner

of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable and contract assets are recognized concurrently.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

n. Leasing

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

1) The Company as Lessor

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

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Company's net investment outstanding in respect of leases.

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

2) The Company as Lessee

The Company recognizes short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses and cost on a straight-line basis over the lease terms.

o. Borrowing Costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.
Other than those stated above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

p. Government Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

q. Employee Benefits

1) Short-term Employee Benefits

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

2) Retirement Benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

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

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

r. Taxation

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

1) Current Tax

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

According to the Income Tax Act of the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain the earnings. Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and Deferred Taxes for the Year

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

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATIONS, ASSUMPTIONS AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

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

The Company considers the critical accounting estimates. The estimations and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimations are revised if the revisions affect only that year or in the year of the revisions and future years if the revisions affect both current and future years.

6. CASH

	December 31, 2025	December 31, 2024
Cash on hand	$ 1,307	$ 888
Checking accounts and demand deposits	92,210	134,929
	$ 93,517	$ 135,817

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – CURRENT

	December 31, 2025	December 31, 2024
Held for trading - Financial assets		
Non-derivative financial assets		
Mutual funds	$ -	$ 20,819

8. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31, 2025	December 31, 2024
Notes receivable - Unrelated parties		
At amortized cost	$ 4,734	$ 10,736
Accounts receivable - Unrelated parties		
At amortized cost	$ 203,965	$ 205,762
Less: Loss Allowance	(573)	(619)
	$ 203,392	$ 205,143
Accounts receivable - Related parties		
At amortized cost	$ 20,365	$ 28,929
Less: Loss Allowance	(6)	(7)
	$ 20,359	$ 28,922

The average credit period of sales of goods was 60-125 days. No interest was charged on receivables. The Company uses other publicly available financial information or its own trading records to rate its major customers. The Company's credit exposure and the credit ratings of its counterparties are continuously monitored.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate loss allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk is significantly reduced.

The Company measures the loss allowance for accounts receivable at an amount equal to Lifetime ECLs. The Lifetime ECLs are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off receivables when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation. For receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Company had no overdue notes receivable. The following table details the loss allowance of accounts receivable (excluding subsidiaries).

	Not Past Due	Past Due 1-90 Days	Past Due 91-180 Days	Past Due 181-365 Days	Past Due Over 365 Days	Total
December 31, 2025						
Expected credit loss rate	0.01%	1%	5%	10%	100%	
Gross carrying amount	$ 153,661	$ 53,177	$ 156	$ 2	$ 1	$ 206,997
Loss allowance (Lifetime ECL)	(38)	(532)	(8)	-	(1)	(579)
Amortized cost	$ 153,623	$ 52,645	$ 148	$ 2	$ -	$ 206,418
December 31, 2024						
Expected credit loss rate	0.01%	1%	5%	10%	100%	
Gross carrying amount	$ 152,546	$ 54,346	$ 826	$ 253	$ 1	$ 207,972
Loss allowance (Lifetime ECL)	(15)	(544)	(41)	(25)	(1)	(626)
Amortized cost	$ 152,531	$ 53,802	$ 785	$ 228	$ -	$ 207,346

The movements of the loss allowance of accounts receivable were as follows:

	Years Ended December 31, 2025	Years Ended December 31, 2024
Balance, beginning of year	$ 626	$ 392
Add: Net remeasurement of (reversal) loss allowance	(47)	234
Balance, end of year	$ 579	$ 626

9. INVENTORIES

	December 31, 2025	December 31, 2024
Finished goods	$ 99,654	$ 78,654
Semi-finished goods	90,288	74,835
Work in process	27,376	28,330
Raw materials	76,080	81,917
Merchandise	419	623
	$ 293,817	$ 264,359

The costs of the loss for market price decline and obsolete and slow-moving inventories recognized in operating costs for the years ended December 31, 2025 and 2024 were $10,164 thousand and $7,521 thousand respectively.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments

	December 31, 2025	December 31, 2024
Current		
Domestic Investments		
Listed shares		
P-DUKE TECHNOLOGY CO., LTD.	$ 74,451	$ 67,448
MAX ECHO TECHNOLOGY CORP.	53,381	-
	$ 127,832	$ 67,448
Noncurrent		
Listed shares		
MAX ECHO TECHNOLOGY CORP.	$ -	$ 69,867
Unlisted shares		
ASEP TEC CO., LTD.	16,542	14,158
LETEX TECHNOLOGY CORP.	4,500	4,500
FUJITER SEMICONDUCTOR CO., LTD.	3,020	3,020
SUNSINO DEVELOPMENT ASSOCIATE INC.	1,944	1,944
HUA ZHONG VENTURE CAPITAL CO., LTD	92	92
INITIO CORPORATION	-	-
	$ 26,098	$ 93,581

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

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2025	December 31, 2024
Investments in subsidiaries	$ 1,019,685	$ 843,748
Investments in associates	259,148	259,263
	$ 1,278,833	$ 1,103,011

a. Investments in Subsidiaries

Name of subsidiaries	December 31, 2025	December 31, 2024
Unlisted Company		
EXCEL Cell Electronic Anhui Co., Ltd. (EXCEL Anhui)	$ 631,806	$ 647,397
Fulltron Investments Limited（Fulltron Samoa）	285,738	100,606
PACER TECHNOLOGY CO., LTD. (PACER TECH)	53,383	51,489
Excel Cell Electronic (U.S.A.) Co., Ltd.（ECE USA）	48,758	44,256
	1,019,685	843,748

	Proportion of Ownership and Voting Rights	
Name of subsidiaries	December 31, 2025	December 31, 2024
EXCEL Anhui	100	100
Fulltron Samoa	100	100
PACER TECH	80	80
ECE USA	100	100

In July 2024, Neocene Anhui was merged into EXCEL Anhui through a consolidation and elimination method.

b. Investments in Associates

Investee	December 31, 2025	December 31, 2024
Associates that are not individually material		
Fuzetec Technology Co., Ltd. (Fuzetec Technology)	$ 259,148	$ 259,263

	Proportion of Ownership and Voting Rights	
Investee	December 31, 2025	December 31, 2024
Fuzetec Technology	24	24

Aggregate information of associates that are not individually material

	Years Ended December 31, 2025	Years Ended December 31, 2024
The Group’s share of		
Net profit for the year	$ 23,473	$ 32,334
Other comprehensive income (loss) for the year	(977)	(1,431)
Total comprehensive income for the year	$ 22,496	$ 30,903

The investment was accounted for using the equity method and the share of profit or loss and other comprehensive income; this investment was calculated based on financial statements which have been audited in 2025 and 2024.

12. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2025	Balance at January 1	Additions	Disposals	Reclassified	Balance at December 31
Cost					
Freehold Land	$ 798,525	$ -	$ -	$	$ 798,525
Buildings	605,068	911	-	133	606,112
Machinery and Equipment	603,646	6,547	(4,537)	23,709	629,365
Other Equipment	324,292	3,215	(596)	12,536	339,447
Equipment under Installation and Construction in Progress	129,322	195,889	-	(31,212)	293,999
Cost Total	2,460,853	$ 206,562	($ 5,133)	$ 5,166	2,667,448
Accumulated depreciation					
Buildings	194,372	$ 12,869	$ -	$ -	207,241
Machinery and Equipment	316,942	58,510	(4,449)	-	371,003
Other Equipment	197,124	34,007	(585)	-	230,546
Accumulated depreciation Total	708,438	$ 105,386	($ 5,034)	$ -	808,790
Net amount for Property, plant and equipment	$ 1,752,415				$ 1,858,658

For the year ended December 31, 2024	Balance at January 1	Additions	Disposals	Reclassified	Balance at December 31
Cost					
Freehold Land	$ 723,303	$ 54,055	$ -	$ 21,167	$ 798,525
Buildings	619,216	7,166	(22,192)	878	605,068
Machinery and Equipment	882,183	4,545	(318,499)	35,417	603,646
Other Equipment	664,238	3,677	(386,406)	42,783	324,292
Equipment under Installation and Construction in Progress	44,164	148,964	-	(63,806)	129,322
Cost Total	2,933,104	$ 218,407	($ 727,097)	$ 36,439	2,460,853
Accumulated depreciation					
Buildings	201,166	$ 14,207	($ 21,001)	$ -	194,372
Machinery and Equipment	583,689	58,120	(318,499)	(6,368)	316,942
Other Equipment	545,744	31,437	(385,436)	5,379	197,124
Accumulated depreciation Total	1,330,599	$ 103,764	($ 724,936)	($ 989)	708,438
Net amount for Property, plant and equipment	$ 1,602,505				$ 1,752,415

Property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings	
Main buildings	11-56 years
Others	21 years
Machinery equipment	2-20 years
Other equipment	2-36 years

The property, plant and equipment of the Company are owned for own use and not leased out under operating leases.

Refer to Note 22 for the carrying amount of property, plant and equipment pledged by the Company to secure borrowings granted to the Company.

13. BORROWINGS

a. Short-term Borrowings

	December 31, 2025	December 31, 2024
Line of credit	$ 440,000	$ 299,000
Annual interest rate (%)		
Line of credit	1.86-2.10	1.78-1.89

b. Long-term Borrowings

	December 31, 2025	December 31, 2024
Secured borrowings	$ 773,193	$ 432,577
Unsecured borrowings	-	321,980
	773,193	754,557
Less: Current portion	(160,119)	(148,664)
Government subsidies	(17,748)	(13,943)
Long-term borrowings	$ 595,326	$ 591,950
Annual interest rate (%)		
Unsecured borrowings	-	1.98
Secured borrowings	1.80-2.13	1.80-2.13

The secured borrowings were secured by land and buildings (refer to Note 22) which were differentiating between working capital, purchase of machinery and equipment, construction of plants and mid-term guaranteed loans. The borrowings within the credit limit are borrowed in installments with the period of the first borrowing as the borrowing period. The borrowings period for working capital is from December 2019 to April 2030; the borrowing period for purchase of machinery and equipment is from December 2019 to May 2032; the borrowing period for construction of plants is from June 2021 to August 2034; the mid-term guaranteed loan period is from January 2024 to January 2031.

The Company obtained a government prime interest rate loan from the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan." The loan is used for working capital, purchasing machinery equipment, and constructing plants with a credit period of 7 to 10 years. The difference between the amount obtained and the fair value is regarded as an interest-free government loan recognized as deferred income. The deferred income is recognized as other income as expenses are incurred over time.

14. RETIREMENT BENEFIT PLANS

a. Defined Contribution Plans

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

b. Defined Benefit Plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts at 2% of total monthly salaries and wages to a pension fund administered by the Supervisory Committee of Business Entities' Labor Retirement Reserve. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to deposit the difference in onetime before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy of the pension fund.

In December 2025, the Company, upon resolution of the Board of Directors and in accordance with relevant regulations, reached agreements with employees to settle years of service under the pension plan governed by the Labor Standards Act. As a result, the Company has no further obligation for net defined benefit liabilities, and recognized a settlement gain of NT$1,683 thousand from the return of the remaining balance in the settlement account. This amount was recognized as a reduction of pension expense under operating expenses. Please refer to Note 16(5), Employee Benefits, Depreciation and Amortization.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	$ -	$ 14,677
Fair value of plan assets	-	(32,955)
Net defined benefit liability (asset)	$ -	($ 18,278)

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2024	$ 82,620	($ 92,319)	($ 9,699)
Service cost			
Current service cost	$ -	$ -	$ -
Net interest expense (income)	975	(1,100)	(125)
Recognized in profit or loss	975	(1,100)	(125)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(8,009)	(8,009)
Actuarial loss - changes in demographic assumptions	33	-	33
Actuarial gain - changes in financial assumptions	(2,052)	-	(2,052)
Actuarial loss – experience adjustments	300	-	300
Recognized in other comprehensive income	(1,719)	(8,009)	(9,728)
Planned repayment and settlement	(65,853)	68,272	2,419
Contributions from the employer	-	(1,145)	(1,145)
Benefits paid	(1,346)	1,346	-
Balance at December 31, 2024	$ 14,677	($ 32,955)	($ 18,278)

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

1) Investment Risk

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

2) Interest Risk

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

3) Salary Risk

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

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

	December 31, 2024
Discount rate (%)	1.50
Expected rate of salary increase (%)	2.00

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase as follows:

	December 31, 2024
Discount rate(s)	
0.25% increase	($ 127)
0.25% decrease	$ 129
Expected rate(s) of salary increase	
0.25% increase	$ 128
0.25% decrease	($ 126)
Turnover rate(s)	
10% increase	($ 5)
10% decrease	$ 6

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

	December 31, 2024
The expected contributions to the plan for the next year	$ 16
The average duration of the defined benefit obligation	3 years

As of December 31, 2025, the Company had no employees eligible for defined benefit plans.

15. EQUITY

a. Ordinary Shares

	December 31, 2025	December 31, 2024
Authorized shares (in thousands)	134,000	134,000
Authorized capital	$ 1,340,000	$ 1,340,000
Issued and paid shares (in thousands)	107,890	109,094
Issued capital	$ 1,078,898	$ 1,090,938

The holders of issued ordinary shares with a par value of $10 are entitled to the right to vote and to receive dividends.

On August 8, 2025, the Company's Board of Directors resolved to cancel 1,204 thousand treasury stocks and set August 15, 2025 as the capital reduction record date. Accordingly, the Company reduced its ordinary shares by NT$12,040 thousand and its retained earnings by NT$9,989 thousand.

b. Capital Surplus

	December 31, 2025	December 31, 2024
From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual acquisition or disposal	262	262
From share of changes in equities of associates	39,153	39,153
From merger	187,722	187,722
	$ 227,137	$ 227,137

Such capital surplus, additional paid-in capital (including the excess of par value of ordinary shares issued, permission on Convertible bonds, Treasury stock trading, the difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual acquisition or disposal, etc.) and donated surplus, may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's contributed capital and to once a year).

The capital surplus from share of changes in equities of associates which accounted for by using the equity method can only use to cover accumulated deficits.

c. Retained Earnings and Dividend Policy

Under the dividends policy as set forth in the Articles, due to the company's future capital requirements and long-term financial planning, as well as fulfilling its shareholders' demand for cash inflow, where the company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting previous years' losses, setting aside as a legal reserve 10% of the remaining profit, except when the accumulated amount of such legal reserve equals to the company's total issued capital, setting aside or reversing a special surplus reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. In addition, cash dividends should not be less than 10% of the total dividends to be appropriated. The Company shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure, funds requirements and other plans for sustainable development needs in assessing the amount of dividends distributed by the Company.

The Company distributes its legal reserve and capital reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition, there to a report of such distribution shall be submitted to the shareholders' meeting.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to cover accumulated deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2024 and 2023 were as follows:

	For the Year Ended December 31,2024	For the Year Ended December 31,2023
Legal reserve	$ 4,564	$ 4,225
Cash dividends	32,728	32,728
Cash dividends per share (NT$)	0.3	0.3

The appropriation of earnings for 2025 that were proposed in the board of directors on March 6, 2026 was as follows:

	Appropriation of Earnings
Legal reserve	$ 5,749
Cash dividends	32,225
Cash dividends per share (NT$)	0.3

The cash dividends mentioned above were approved by the Board of Directors. The remaining is subject to the resolution of the shareholders' meeting to be held in May 2026.

d. Special Surplus Reserve

	December 31, 2025	December 31, 2024
Balance at January 1	$ 16,972	$ 16,972

On the first-time adoption of IFRS Accounting Standards, the Company transferred accounted cumulative translation adjustment to retained earnings and also made the same amount provisions of special surplus reserve. If a special surplus reserve appropriated on the first-time adoption of IFRS Accounting Standards relates to the exchange differences on translating the financial statements of foreign operations (including subsidiaries), the special surplus reserve will be reversed proportionately on the Company's disposal of subsidiaries and associates; on the Company's loss of significant influence; however, the entire special surplus reserve will be reversed.

e. Treasury Shares

Purpose of Treasury Shares	Shares buyback for Cancellation (thousand shares)	Shares to be Transferred to Employees (thousand shares)
Balance at January 1, 2025	-	-
Addition	1,204	473
Reduction	(1,204)	-
Balance at Decmber 31, 2025	-	473

To maintain the Company's credit standing and safeguard shareholders' interests, the Board of Directors resolved on April 10, 2025 to repurchase up to 2,000 thousand common shares of the Company from the Taiwan Stock Exchange during the period from April 11, 2025 to June 10, 2025, at a price range of NT$11.5 to NT$26 per share. The Company repurchased 1,204 thousand shares at a total cost of NT$22,029 thousand.

To incentivize employees and enhance employee cohesion, the Board of Directors further resolved on August 8, 2025 to repurchase up to 2,000 thousand common shares of the Company from the Taiwan Stock Exchange during the period from August 11, 2025 to October 10, 2025, at a price range of NT$14 to NT$25.5 per share. The Company repurchased 473 thousand shares at a total cost of NT$9,223 thousand.

Treasury shares held by the Company shall not be pledged and are not entitled to the distribution of dividends or the exercise of voting rights in accordance with the Securities and Exchange Act.

16. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Operating Revenue

	Years Ended December 31, 2025	Years Ended December 31, 2024
Revenue from contracts with customers		
Revenus from the sales of goods	$ 1,187,356	$ 1,172,117

Contract Balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable (Note 8)	$ 4,734	$ 10,736	$ 7,774
Net Accounts receivable (Note 8)	223,751	234,065	204,954
	$ 228,485	$ 244,801	$ 212,728
Contract liabilities – current			
Sales of goods	$ 995	$ 650	$ 725

For disaggregation of revenue, please refer to Note 10.

b. Other Income

	Years Ended December 31, 2025	Years Ended December 31, 2024
Dividends	$ 8,279	$ 9,083
Others	11,841	11,186
	$ 20,120	$ 20,269

c. Other Gains and Losses

	Years Ended December 31, 2025	Years Ended December 31, 2024
Gains on financial assets at FVTPL	$ 144	$ 5,899
Gain (Loss) on disposal of property, plant and equipment	49	(2,091)
Foreign exchange gain	(2,017)	26,650
Others	(204)	(20)
	($ 2,028)	$ 30,438

d. Finance Costs

Information about capitalized interest is as follows:

	Years Ended December 31, 2025	Years Ended December 31, 2024
Capitalized interest amount	$ 4,314	$ 727
Capitalization rate (%)	2.13	2.13

e. Employee benefits expense, depreciation and amortization

Nature	Operating cost	Operating expenses and non-operating expenses	Total
Years Ended December 31, 2025			
Short-term benefits			
Payroll expense	$ 215,521	$ 106,120	$ 321,641
Labor and health insurance expense	22,680	11,425	34,105
Post-employment benefits			
Defined contribution plan	8,134	4,207	12,341
Defined benefit plans (Note 14)	-	(1,683)	(1,683)
Remuneration of directors	-	1,531	1,531
Other employee benefits	12,038	7,015	19,053
Depreciation expenses	90,230	15,156	105,386
Amortization expenses	213	5,001	5,214
Years Ended December 31, 2024			
Short-term benefits			
Payroll expense	$ 208,106	$ 105,625	$ 313,731
Labor and health insurance expense	20,970	11,220	32,190
Post-employment benefits			
Defined contribution plan	8,061	6,492	14,553
Defined benefit plans (Note 14)	-	(125)	(125)
Remuneration of directors	-	1,014	1,014
Other employee benefits	11,872	5,678	17,550
Depreciation expenses	89,119	14,645	103,764
Amortization expenses	202	5,392	5,594

For the years ended December 31, 2025 and 2024, the average number of employees of the Company was 604 and 602, respectively, which included 6 non-employee directors for both 2025 and 2024. The calculation basis is consistent with employee benefits expense.

For the years ended December 31, 2025 and 2024, the average employee benefits expense was $644 thousand and $634 thousand, respectively. For the years ended December 31, 2025 and 2024, the average employee salary was $538 thousand and $526 thousand, respectively. The average employee salary was increased by 2% year-on-year.

The Company established an Audit Committee in place of the Supervisor.

The remuneration policies are based on the Company’s operational conditions, the industry standard, and the organizational position, and may be adjusted based on the overall economy, industrial environment and government regulations. Compensation of individual employees is determined based on his/her role, experience, professional abilities, and individual performance.

The correlation between remuneration policies and procedures and operating performance or results is determined periodically based on the Company's total turnover, profitability and capital turnover. The Company allocates a certain percentage of the total amount of performance bonus payable annually based on the Company’s profit. After the amount is being reviewed by the remuneration committee and the audit committee and approved by the board of directors, employees that meet certain performance standards will be paid according to their assessed performance.

f. Compensation of Employees and Remuneration of Directors

According to the Company’s Articles of Incorporation, no less than 1% and no more than 2% of the Company’s profit before income tax for the current year, prior to the deduction of employee compensation and directors’ remuneration, shall be appropriated as employee compensation and directors’ remuneration, respectively.

Pursuant to the amendments to the Securities and Exchange Act in August 2024, the Company amended its Articles of Incorporation, as approved by the shareholders’ meeting on May 29, 2025, to stipulate that the portion allocated for compensation to grassroots employees shall not be less than 40% of the total employee compensation appropriation.

The compensation of employees and remuneration of directors for the years ended December 31, 2025 and 2024, which were approved by the Company’s board of directors on March, 2026 and February, 2025, respectively, were as follows:

	Years Ended December 31, 2025		Years Ended December 31, 2024	
	Accrual rate	Amount	Accrual rate	Amount
Compensation of employees	3%	$ 3,062	4%	$ 2,028
Remuneration of directors	1.5%	1,531	2%	1,014

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

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

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

17. INCOME TAX

a. The Major Components of Income Tax Expense Recognized in Profit or Loss

	Years Ended December 31, 2025	Years Ended December 31, 2024
Current tax		
In respect of the current year	$ -	$ 1,241
Adjustments for prior years	126	3,218
	126	4,459
Deferred tax		
In respect of the current year	31,445	5,290
Adjustments for prior years	1,332	-
	32,777	5,290
Income tax expense (profit) recognized in profit or loss	$ 32,903	$ 9,749

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

	Years Ended December 31, 2025	Years Ended December 31, 2024
Income tax expense calculated at the statutory rate (20%)	$ 19,496	$ 9,532
Tax-exempt income	(7,143)	(9,632)
Nondeductible expenses	2,400	2,400
Income tax adjustments on prior years	1,458	3,218
Unrecognized loss carryforwards	16,692	2,990
Additional tax on offshore earnings	-	1,241
Income tax expense recognized in profit or loss	$ 32,903	$ 9,749

b. Current Tax Assets and Liabilities

	December 31, 2025	December 31, 2024
Current tax assets		
Tax refund receivable	$ 7,163	$ 1,817

c. Deferred Tax Assets and Liabilities

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

For the year ended December 31, 2025	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary differences				
Provision for loss on inventories	$ 8,769	$ 2,032	$ -	$ 10,801
Defined benefit plans	4,713	-	(4,713)	-
Investments accounted for using the equity method	18,189	(18,189)	-	-
Others	1,287	-	-	1,287
	$ 32,958	($ 16,157)	($ 4,713)	$ 12,088
Deferred tax liabilities				
Temporary differences				
Investments accounted for using the equity method	$ -	$ 15,114	$ -	$ 15,114
Defined benefit plans	6,128	1,366	-	7,494
Unrealized foreign exchange gains	523	140	-	663
	$ 6,651	$ 16,620	$ -	$ 23,271
For the year ended December 31, 2024				
Deferred Tax Assets				
Temporary differences				
Defined benefit plans	$ 6,659	$ -	($ 1,946)	$ 4,713
Investments accounted for using the equity method	22,371	(4,182)	-	18,189
Provision for loss on inventories	7,264	1,505	-	8,769
Others	3,132	(1,845)	-	1,287
	$ 39,426	($ 4,522)	($ 1,946)	$ 32,958
Deferred tax liabilities				
Temporary differences				
Defined benefit plans	$ 5,883	$ 245	$ -	$ 6,128
Investments accounted for using the equity method	-	523	-	523
	$ 5,883	$ 768	$ -	$ 6,651

d. Unrecognized Deferred Tax Assets on Loss Carryforwards

	December 31, 2025	December 31, 2024
Loss carryforwards	$ 46,326	$ -

e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2025 comprised:

Unused Amount	Expiry Year
$ 46,326	2035

f. Income Tax Assessments

The income tax return of the Company through 2023 has been assessed by the tax authorities.

18. EARNINGS PER SHARE (EPS)

	Net profit for the year	Number of shares outstanding (in thousands)	Earnings per share (in dollar)
For the year ended December 31, 2025			
Basic EPS			
Net income available to the company	$ 64,575	108,179	$ 0.60
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	176	
Diluted EPS			
Company adding effect of potentially dilutive ordinary shares	$ 64,575	108,355	$ 0.60
For the year ended December 31, 2024			
Basic EPS			
Net income available to the company	$ 37,910	109,094	$ 0.35
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	49	
Diluted EPS			
Company adding effect of potentially dilutive ordinary shares	$ 37,910	109,143	$ 0.35

The Company offers to settle the employees' compensation in cash or shares; thus, the Company assumes the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted EPS, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted EPS until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

19. CAPITAL MANAGEMENT

The Company manages its capital to ensure it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The key management personnel of the Company periodically reviews the cost of capital and the risk associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

20. FINANCIAL INSTRUMENTS

a. Fair Values of Financial Instruments not Measured at Fair Value

The management of the Company believes that the book value of financial assets and liabilities, which are not measured by fair value approaches its fair value cannot be reliably measured.

b. Fair Value of Financial Instruments Measured at Fair Value on a Recurring Basis

1) Fair Value Hierarchy

December 31, 2025	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
－Domestic listed shares	$ 127,832	$ -	$ -	$ 127,832
－Domestic unlisted shares	-	-	26,098	26,098
	$ 127,832	$ -	$ 26,098	$ 153,930

December 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 20,819	$ -	$ -	$ 20,819
Financial assets at FVTOCI				
Investments in equity instruments				
－Domestic listed shares	$ 137,315	$ -	$ -	$ 137,315
－Domestic unlisted shares	-	-	23,714	23,714
	$ 137,315	$ -	$ 23,714	$ 161,029

There were no transfers between Level 1 and Level 2 for the years ended December 31, 2025 and 2024.

2) Valuation Techniques and Assumptions Applied for Fair Value Measurement

a) The fair value of financial instruments with standard conditions and traded in active market, including listed shares and emerging market shares, is decided based on the market price.

b) The unlisted equity investments at fair value through other comprehensive income are all measured at Level 3. The fair values of unlisted equity investments are determined using price-to-book ratio approach. In this approach, according to the financial information of the companies, both net book value per share calculated and share price estimated by comparing share price or P/E ratio with similar companies were used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

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

Financial assets at fair value through other comprehensive income - equity instruments

	Years Ended December 31, 2025	Years Ended December 31, 2024
Balance at January 1	$ 23,714	$ 36,147
Unrealized gain (loss) on financial assets at FVTOCI	2,384	(12,433)
Balance at December 31	$ 26,098	$ 23,714

c. Categories of Financial Instruments

	December 31, 2025	December 31, 2024
Financial assets		
Measured at FVTPL - Held for trading	$ -	$ 20,819
Financial assets at amortized costs (Note 1)	362,763	421,810
Financial assets at FVTOCI - Equity instruments	153,930	161,029
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	1,467,632	1,307,434

Note 1: The balances included cash, restricted deposit, notes receivable, accounts receivable, other receivables and refundable deposits at amortized cost.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, current portion of long-term borrowings, and guarantee deposits received.

d. Financial Risk Management Objectives and Policies

The Company's major financial instruments include equity investments, accounts receivable, accounts payable, loans and lease liabilities. The Company's Financial Department monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market Risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign Currency Risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk.

The carrying amounts of the Company's foreign-currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting periods are set out in Note 24.

Sensitivity Analysis

The Company was mainly exposed to the USD. When there was 1% increase in the New Taiwan dollar (functional currency) against USD, the pre-tax profit of the Company for 2025 and 2024 would decrease by $1,525 thousand and $1,534 thousand, respectively. A sensitivity rate is used internally when reporting to management from the Company on exchange rate risks. It represents management's assessment on reasonably possible scope of foreign exchange rates.

b) Interest Rate Risk

The Company was exposed to interest rate risk because the Company borrowed funds at both fixed and floating interest rates. The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
Long-term loans (include maturing within one year)	$ 755,445	$ 740,614
Interest rate risk on cash flow		
Financial assets	92,210	134,929
Short-term loans	440,000	299,000

Sensitivity Analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.125% increase or decrease was used when the company for internal reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been higher and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2025 and 2024 would decrease by $435 thousand and decrease by $205 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank loans.

2) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. At the end of the reporting period, the Company's maximum exposure to credit risk could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets

The Company adopted a policy of only dealing with creditworthy counterparties and determined of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. The concentration of credit risk was limited due to the fact that the customer base was large and unrelated.

3) Liquidity Risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2025, and 2024. The Company had available unutilized short-term bank loan facilities of $705,100 thousand and $1,233,600 thousand, respectively.

Liquidity and Interest Rate Risk Table

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table included both interest and principal cash flows. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Classification	Less than 1 Year	1-5 Years	6-10 Years	Total
December 31, 2025				
Non-interest bearing liabilities	$ 272,187	$ -	$ -	$ 272,187
Variable interest rate liabilities	440,000	-	-	440,000
Fixed interest rate liabilities	163,274	496.488	134,303	794,065
	$ 875,461	$ 496,488	$ 134,303	$ 1,506,252
December 31, 2024				
Non-interest bearing liabilities	$ 267,820	$ -	$ -	$ 267,820
Variable interest rate liabilities	299,000	-	-	299,000
Fixed interest rate liabilities	157,202	421,647	191,472	770,321
	$ 724,022	$ 421,647	$ 191,472	$ 1,337,141

21. RELATED PARTY TRANSACTIONS

Besides information disclosed in the other notes, details of transactions between the Company and its related parties were disclosed as follows:

a. Related Party Name and Categories

Related Party Name	Related Party Category
PACER TECH	Subsidiary
ECE USA	Subsidiary
Fulltron Samoa	Subsidiary
EXCEL Cell Electronic Suzhou Co., Ltd. (EXCEL Suzhou)	Subsidiary
Neocene Anhui	Subsidiary (Merged into EXCEL Anhui starting from July 2024)
EXCEL Cell Electronic Anhui Co., Ltd. (EXCEL Anhui)	Subsidiary
Fuzetec Technology	Associates
P-DUKE TECHNOLOGY CO., LTD.	Other related parties
MAX ECHO TECHNOLOGY CORP.	Other related parties (No longer a related party starting from July 2024)
POLYMATE TECHNOLOGY CO., LTD.	Other related parties
ASEP TEC CO., LTD.	Other related parties
K. S. TERMINALS INC.	Other related parties (No longer a related party starting from July 2024)
K.S. Technology (Suzhou) Inc.	Other related parties (No longer a related party starting from July 2024)

b. Sales of goods

	Years Ended December 31, 2025	Years Ended December 31, 2024
Subsidiary	$ 82,231	$ 77,959
Other related parties	6,970	4,754
	$ 89,201	$ 82,713

The selling prices and transaction terms to related parties were similar to third parties.

c. Purchase of goods

	Years Ended December 31, 2025	Years Ended December 31, 2024
Subsidiary		
EXCEL Anhui	$ 24,538	$ 41,289
Other	3,205	2,216
	27,743	43,505
Associates	12,271	14,119
Other related parties	9,311	5,106
	$ 49,325	$ 62,730

The purchase of goods from related parties were made for goods of special specifications. There were no similar transactions with third parties for comparison; payment terms were similar to third parties.

d. Operating cost - processing charges

	Years Ended December 31, 2025	Years Ended December 31, 2024
Other related parties	$ 40,422	$ 15,122

e. Other non-operating income

	Years Ended December 31, 2025	Years Ended December 31, 2024
Subsidiary	$ 597	$ 618
Other related parties	540	800
Associates	624	325
	$ 1,761	$ 1,743

The income is mainly from technical services, management fees and other income.

f. Accounts receivable, Net

	December 31, 2025	December 31, 2024
Subsidiary	$ 17,333	$ 26,719
Other related parties	3,026	2,203
	$ 20,359	$ 28,922

g. Accounts payable and notes payable

	December 31, 2025	December 31, 2024
Subsidiary		
EXCEL Anhui	$ 8,100	$ 11,833
Other	990	409
	9,090	12,242
Other related parties	17,781	16,014
Associates	3,566	1,295
	$ 30,437	$ 29,551

h. Other receivables

	December 31, 2025	December 31, 2024
Subsidiary	$ 452	$ 301

i. Prepayments

	December 31, 2025	December 31, 2024
Other related parties	$ 293	$ -

j. Acquisition of property, plant and equipment

	Items	Acquisition Price	
		Years Ended December 31, 2025	Years Ended December 31, 2024
Subsidiary	Machinery and Equipment	$ 1,154	$ 575
Other related parties	Other equipment	130	380
		$ 1,284	$ 955

k. Disposal of property, plant and equipment

	Proceeds		Gain on Disposal	
	Years Ended December 31, 2025	Years Ended December 31, 2024	Years Ended December 31, 2025	Years Ended December 31, 2024
Subsidiary	$ 88	$ 10	$ 5	$ 1

l. Compensation of key management personnel

	Years Ended December 31, 2025	Years Ended December 31, 2024
Short-term employee benefits	$ 9,312	$ 11,080
Post-employment benefits	205	192
	$ 9,517	$ 11,272

The remuneration of directors and other key management was determined by the Compensation Committee based on the performance of individuals and market trends.

22. MORTGAGED AND PLEDGED ASSETS

The following assets were provided as collateral for long-term loans:

	December 31, 2025	December 31, 2024
Property, plant and equipment	$ 1,320,842	$ 1,144,096

23. MATERIAL CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

Material contingent liabilities and unrecognized contractual commitments of the Company as of the end of the reporting period, excluding those disclosed in other notes, were as follows:

	December 31, 2025	December 31, 2024
Unrecognized contractual commitments - acquisition of property, plant and equipment	$ 143,652	$ 272,338

24. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY

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

	December 31, 2025			December 31, 2024		
Financial assets	Foreign Currencies	Exchange Rate	Carrying Amount (NTD)	Foreign Currencies	Exchange Rate	Carrying Amount (NTD)
Monetary items						
USD	$ 5,431	31.38	$ 170,420	$ 5,531	32.74	$ 181,071
JPY	39,728	0.20	7,898	34,585	0.21	7,190
EUR	80	36.70	2,931	336	33.94	11, 404
Investments accounted for using the equity method						
USD	$ 30,794	31.38	$ 966,302	24,202	32.74	792,259
Financial liabilities						
Monetary items						
USD	572	31.38	17,948	845	32.74	27,659

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	Years Ended December 31, 2025		Years Ended December 31, 2024	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gains (Loss)	Exchange Rate	Net Foreign Exchange Losses
USD	31.13	($ 3,986)	32.06	$ 23,339
EUR	34.98	649	34.54	134
JPY	0.2065	943	0.21	1,422

25. ADDITIONAL DISCLOSURES

a. Information on significant transactions

1) Lending funds to other parties and or guarantee: Table 1

2) Endorsements/guarantees provided: None

3) Marketable securities held (excluding investments in subsidiaries and associates): Table 2

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

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

b. Information on investees: Table 3

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income or loss of investees, investment gain or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 4

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 5

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 5

c) The amount of property transactions and the amount of the resultant gains or losses: None

d) The balance of bill endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to accommodation of funds: Table 1

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None

Table 1

Excel Cell Electronic Company Limited and its subsidiaries

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

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 2)	Ending Balance (Note 3)	Amount Actually Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 1)
													Item	Value		
1	EXCEL Suzhou	EXCEL Anhui	Other receivables – related party	Y	$ 89,434 (RMB 20,000)	$ 89,434 (RMB 20,000)	$ 86,595 (RMB 19,365)	1%	Short-term financing	$ -	Group operations and funding arrangements	$ -	—	$ -	$ 290,721	$ 290,721

Note 1: For overseas subsidiaries in which the Company directly or indirectly holds 100% of the voting shares, the credit limit for individual counterparties and the aggregate credit limit shall not exceed the net equity of the lending company as stated in its most recent financial statements audited or reviewed by CPAs.
Note 2: The maximum balance represents the highest foreign currency balance during the year translated into Thousands of New Taiwan Dollars using the exchange rate at the end of the respective month.
Note 3: Amounts denominated in foreign currencies are translated into Thousands of New Taiwan Dollars using the exchange rate at the balance sheet date.

Table 2

Excel Cell Electronic Company Limited and its subsidiaries

MARKETABLE SECURITIES HELD
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2025				Note
				Number of Shares	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
The Company	Stock							
	P-DUKE TECHNOLOGY CO., LTD.	Other related parties	Financial assets at fair value through other comprehensive income - current	737,142	$ 74,451	1	$ 74,451	
	INITIO CORPORATION	—	Financial assets at fair value through other comprehensive income - noncurrent	24,898	-	2	-	
	SUNSINO DEVELOPMENT ASSOCIATE INC.	—	Financial assets at fair value through other comprehensive income - noncurrent	1,877,359	1,944	4	1,944	
	ASEP TEC CO., LTD.	Other related parties	Financial assets at fair value through other comprehensive income - noncurrent	4,062,375	16,542	17	16,542	
	HUA ZHONG VENTURE CAPITAL CO., LTD	—	Financial assets at fair value through other comprehensive income - noncurrent	9,235	92	5	92	
	FUJITER SEMICONDUCTOR CO., LTD.	—	Financial assets at fair value through other comprehensive income - noncurrent	293,771	3,020	1	3,020	
	LETEX TECHNOLOGY CORP.	—	Financial assets at fair value through other comprehensive income - noncurrent	540,000	4,500	10	4,500	
	MAX ECHO TECHNOLOGY CORP.	-	Financial assets at fair value through other comprehensive income - noncurrent	3,015,843	53,381	8	53,381	
	APEX DISPLAY CO., LTD	—	Financial assets at fair value through profit or loss - noncurrent	6,522	-	3	-	
PACER TECH	Stock							
	P-DUKE TECHNOLOGY CO., LTD.	Other related parties	Financial assets at fair value through other comprehensive income - current	446,657	45,112	1	45,112	
	BASSO INDUSTRY CORP.	—	Financial assets at fair value through other comprehensive income - current	30,000	981	-	981	
	HUA ZHONG VENTURE CAPITAL CO., LTD	—	Financial assets at fair value through other comprehensive income - noncurrent	3,009	30	2	30	
	PINEBRIDGE - Japan Multi-Asset	—	Financial assets at fair value through profit or loss - current	300,000	3,183	-	3,183	

Note: The information about fair value please see Note 20.

Table 3

Excel Cell Electronic Company Limited and its subsidiaries

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2025			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
The Company	ECE USA (Note)	USA	Trading of electronic products	$ 7,578	$ 7,578	2,500	100	$ 48,758	USD 179	$ 6,320	
	PACER TECH (Note)	Taichung City	Trading of electronic products	12	12	959,800	80	53,383	$ 4,776	3,820	
	Fulltron Samoa (Note)	Samoa	Investment holding company	89,251	89,251	2,650,000	100	285,738	USD 5,715	177,917	
	Fuzetec Technology	New Taipei City	Manufacturing of electronic parts	102,630	102,630	9,044,406	24	259,148	97,096	23,473	

Table 4

Excel Cell Electronic Company Limited and its subsidiaries

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

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses (Note 4)	Carrying Amount as of Balance as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025 (Note 4)
					Outflow	Inflow						
EXCEL Suzhou (Note 6)	Processing, manufacturing and trading of electronic products	$ 62,760 (USD 2,000)	(Note 1)	$ 62,760 (USD 2,000)	$ -	$ -	$ 62,760 (USD 2,000)	$ 177,929	100%	$ 177,929	$ 290,718	$ 11,924 (USD 380)
Good Sky Shenzhen (Note 6)	Processing, manufacturing and trading of electronic products	209,681 (USD 6,682)	(Note 2)	109,548 (USD 3,491)	-	-	109,548 (USD 3,491)	-	-	-	-	-
PACER INDUSTRIAL (SHANGHAI) COMPANY LIMITED (PACER Shanghai) (Note 6)	Trading of electronic products	6,276 (USD 200)	(Note 3)	6,276 (USD 200)	-	-	6,276 (USD 200)	-	-	-	-	-
EXCEL Anhui (Note 6)	Processing, manufacturing and trading of electronic products	753,120 (USD 24,000)	(Note 1)	721,740 (USD 23,000)	-	-	721,740 (USD 23,000)	(17,724)	100%	(17,724)	631,806	-

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 5)
The Company	$ 894,048 (USD 28,491)	$ 998,888 (Note 6) (USD 31,832)	$ 1,531,954
PACER TECH	$ 6,276 (USD 200)	$ 6,276 (USD 200)	$ 80,000

Note 1: EXCEL Suzhou invest through Fulltron Samoa; Good Sky Shenzhen invest through Good Sky BVI.
Note 2: Good Sky Shenzhen invested in Good Sky BVI. Good Sky Shenzhen had been liquidated in September 2022 but not yet revoked by Investment Commission, MOEA.
Note 3: The company invest in PACER TECH through PACER Hong Kong invest in PACER Shanghai. PACER TECH had disposal of share of PACER Hong Kong but not yet revoked by Investment Commission, MOEA.
Note 4: Investment profit (loss) is recognized based on the financial statements of the investees for the same period, as audited by the parent company’s auditors.
Note 5: According the “Principles Governing the Review of Investments or Technical Cooperation in Mainland China” issued by the Investment Commission, the investment amount in mainland China should be limited to 60% of net value and amount $80,000 thousand dollars.
Note 6: The total investment amount approved by the Investment Commission, MOEA, were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Table 5

Excel Cell Electronic Company Limited and its subsidiaries

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD AREA, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES

FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Relationship	Transaction Type	Amount	Purchase/Sale (%)	Transaction Details			Notes/Trade Receivable (Payable)		Unrealized (Gain) Loss
						Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	Percentage (%)	
The Company	EXCEL Anhui	Subsidiary	Purchase	$ 24,538	4	Negotiated with reference to order price	90 days for a monthly balance	The terms with related parties are not significantly different from those with third parties	($ 8,100)	4	$ -
			Sales	65,676	6	Negotiated with reference to order price	90 days for a monthly balance	The terms with related parties are not significantly different from those with third parties	14,969	7	-
EXCEL Anhui	EXCEL Suzhou	Subsidiary	Purchase	4,154	1	Negotiated with reference to order price	Next month ends 60 days	The terms with related parties are not significantly different from those with third parties	(41,878)	40	-
			Sales	26,113	5	Negotiated with reference to order price	Next month ends 60 days	The terms with related parties are not significantly different from those with third parties	-	-	-
EXCEL Suzhou	EXCEL Anhui	Subsidiary	Purchase	26,113	33	Negotiated with reference to order price	Next month ends 60 days	The terms with related parties are not significantly different from those with third parties	-	-	-
			Sales	4,154	3	Negotiated with reference to order price	Next month ends 60 days	The terms with related parties are not significantly different from those with third parties	41,878	68	-

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

Statement 1

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Item	Foreign-currency	Exchange rates	Amount (TWD)
Cash in banks			
Checking accounts			$ 577
Demand deposits			54,020
Foreign currency deposits			
USD	872	31.38	27,361
RMB	597	4.4717	2,668
EUR	44	36.70	1,620
JPY	23,121	0.1988	4,596
HKD	341	4.008	1,368
			92,210
Cash on hand			1,307
			$ 93,517

Statement 2

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF RECEIVABLES FROM UNRELATED PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Notes receivable - Unrelated parties	
LT017	$ 1,902
SE092	523
GG005	397
MF004	364
DE023	304
Others (Note)	1,244
	$ 4,734
Accounts receivable - Unrelated parties	
TY030	$ 56,430
PT023	26,116
YX007	10,416
Others (Note)	111,003
	203,965
Less: Allowance for doubtful accounts	(573)
	$ 203,392

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

Statement 3

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF INVENTORIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Cost	Market Value (Note)
Finished goods	$ 99,654	$ 118,583
Semi-finished goods	90,288	116,079
Work in process	27,376	27,400
Raw materials	76,080	96,683
Merchandise	419	922
	$ 293,817	$ 359,667

Note 1: The market value is based on net realizable value.
Note 2: Inventories were not pledged.

Statement 4

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investees	Balance, January 1, 2025			Additions in Investment		Decrease in Investment		Balance, December 31, 2025			Accumulated Impairment Loss	Collateral	Remarks
	Shares	Fair Value	%	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value	%			
Domestic unlisted shares													
ASEP TEC CO., LTD.	4,062,375	$ 14,158	17	-	$ 2,384	-	$ -	4,062,375	$ 16,542	17	(Note 1)	(Note 2)	
LETEX TECHNOLOGY CORP.	540,000	4,500	10	-	-	-	-	540,000	4,500	10	(Note 1)	(Note 2)	
FUJITER SEMICONDUCTOR CO., LTD.	293,771	3,020	1	-	-	-	-	293,771	3,020	1	(Note 1)	(Note 2)	
SUNSINO DEVELOPMENT ASSOCIATE INC.	1,783,490	1,944	4	93,869	-	-	-	1,877,359	1,944	4	(Note 1)	(Note 2)	
HUA ZHONG VENTURE CAPITAL CO., LTD	9,235	92	5	-	-	-	-	9,235	92	5	(Note 1)	(Note 2)	
INITIO CORPORATION	24,898	-	2	-	-	-	-	24,898	-	2	(Note 1)	(Note 2)	
		23,714			2,384		-		26,098				
Domestic listed shares													
MAX ECHO TECHNOLOGY CORP.	3,817,843	69,867	11	-	-	802,000	16,486	3,015,843	53,381	8	(Note 1)	(Note 2)	
P-DUKE TECHNOLOGY CO., LTD.	737,142	67,448	1	-	7,371	-	368	737,142	74,451	1	(Note 1)	(Note 2)	
		137,315			7,371		16,854		127,832				
		$ 161,029			$ 9,755		$ 16,854		$ 153,930				

Note 1: For the financial assets at fair value through other comprehensive income, the accumulated impairment loss is not applicable.
Note 2: Financial assets were not pledged.

Statement 5

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

	Balance, January 1, 2025			Additions in Investment		Decrease in Investment		Others		Exchange Differences on Translation of Foreign Financial Statements	Balance, December 31, 2025			
Investees	Shares	Amount	%	Shares	Amount	Shares	Amount	(Note)	Profit (Loss) of Investments		Shares	Amount	%	Net Assets Value
EXCEL Anhui	-	$ 647,397	100	-	$ -	-	$ -	$ -	($ 17,724)	$ 2,133	-	$ 631,806	100	$ 621,431
Fulltron Samoa	2,650,000	100,606	100	-	-	-	-	-	177,917	7,215	2,650,000	285,738	100	290,556
PACER TECH	959,800	51,489	80	-	-	-	-	(1,926)	3,820	-	959,800	53,383	80	52,490
ECE USA	2,500	44,256	100	-	-	-	-	-	6,320	(1,818)	2,500	48,758	100	48,758
Fuzetec Technology	9,044,406	259,263	24	-	-	-	-	(23,766)	23,473	178	9,044,406	259,148	24	259,161
		$1,103,011			$ -		$ -	($ 25,692)	$ 193,806	$ 7,708		$1,278,833		$1,272,396

Note: Include cash dividends, adjustment of actuarial gains and loss and Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income.

Statement 6

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF SHORT-TERM BORROWINGS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Type/Bank Name	Maturity Date	Interest Rate (%)	Amount
Unsecured Borrowings			
Mega International Commercial Bank, North Taichung Branch	2026.03.24	1.86	$ 170,000
The Shanghai Commercial & Savings Bank, Ltd. Chung Kang Branch	2026.03.22	1.89	150,000
Cathay United Bank Taichung District Centre	2026.06.24	2.10	100,000
Mega International Commercial Bank, North Taichung Branch	2026.01.29	1.86	20,000
			$ 440,000

Statement 7

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF PAYABLES TO UNRELATED PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Name	Amount
Notes payable – unrelated parties	
CN011	$ 1,072
HD047	494
SZ045	441
CM026	343
Others (Note)	10
	2,360
Accounts payable – unrelated parties	
DE036	84,537
TW237	8,242
Others (Note)	68,320
	161,099
	$ 163,459

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

Statement 8

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF OTHER PAYABLES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Salaries and wages payable	$ 45,562
Other payables expense	20,138
Employee's compensation payable	4,593
Others	7,998
	$ 78,291

Statement 9

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF LONG-TERM BORROWINGS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Type/Bank Name	Contract Period (Note)	Repayment	Interest Rates (%)	Current Portion of Long-term Borrowings	Non-current Portion of Long-term Borrowings	Total	Collateral
Secured Borrowing							
Mega International Commercial Bank North Taichung Branch	2019.12.2-2026.12.02	The loan is a working capital loan with a grace period of three years (started in December 2019) and is repayable in four equal annual installments after the grace period.	1.98	$ 93,994	$ -	$ 93,994	Land and Building
Mega International Commercial Bank North Taichung Branch	2019.12.30-2029.12.30	The loan is for the purchase of machinery and equipment with a grace period of three years (started in December 2019) and is repayable in seven equal annual installments after the grace period.	1.98	25,090	73,643	98,733	Land and Building
Mega International Commercial Bank North Taichung Branch	2021.06.08-2031.06.08	The loan is for the construction of a plant with a grace period of three years (started in June 2021) and is repayable in seven equal annual installments after the grace period.	1.98	21,035	84,026	105,061	Land and Building
E.SUN BANK Taichung District Branch	2023.05.09-2030.04.15	The loan is a working capital loan with a grace period of three years (started in May 2023) and is repayable in four equal annual installments after the grace period.	1.93	20,000	98,637	118,637	Land and Building
E.SUN BANK Taichung District Branch	2024.01.11-2031.01.11	The loan is a working capital loan with a grace period of three years (started in January 2024) and is repayable in four equal annual installments after the grace period.	1.80	-	100,000	100,000	Land and Building
Mega International Commercial Bank North Taichung Branch	2024.08.29-2034.08.29	The loan is for the construction of a plant with a grace period of three years (started in August 2024) and is repayable in four equal annual installments after the grace period.	2.13	-	219,837	219,837	Land and Building
Mega International Commercial Bank North Taichung Branch	2025.06.06-2032.05.15	The loan is for the purchase of machinery and equipment with a grace period of three years (started in June 2025) and is repayable in four equal annual installments after the grace period.	1.93	-	19,183	19,183	Land and Building
				$ 160,119	$ 595,326	$ 755,445	

Note: Within the contract period.

Statement 10

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF NET REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Quantity (In Thousands)	Amount
Semiconductors components	Around 7,791,517	$ 591,278
DIP Switch	Around99,430	235,694
Electronic components	Around53,416	154,868
Relays	Around 13,710	161,648
Stepping Motor	Around6,118	53,884
Revenue total		1,197,372
Less: Sales return		(5,637)
Sales discount		(4,379)
Net revenue		$ 1,187,356

Statement 11

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF COST OF REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials balance, beginning of year	$ 89,248
Raw material purchased	477,001
Raw materials, end of year	(84,057)
Others	(24,705)
Raw materials used	457,487
Direct labor	152,150
Manufacturing expenses	408,673
Manufacturing cost	1,018,310
Semi-finished goods, beginning of year	86,887
Semi-finished goods purchased	95,225
Semi-finished goods, end of year	(112,595)
Others	(69,588)
Work in process, beginning of year	28,330
Work in process, end of year	(27,376)
Cost of finished goods	1,019,193
Finished goods, beginning of year	102,360
Finished goods purchased	10,066
Finished goods, end of year	(122,875)
Others	(12,005)
Cost of finished goods	996,739
Merchandise, beginning of year	1,137
Merchandise purchased	14,024
Merchandise, end of year	(922)
Others	70,919
Total	$ 1,081,897

Statement 12

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

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll	$ 18,188	$ 46,876	$ 41,056	$106,120
Depreciation expense	912	9,319	4,925	15,156
Others	22,555	31,531	30,061	84,147
	$ 41,655	$ 87,726	$ 76,042	$205,423