

**DANEN TECHNOLOGY CORPORATION
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

Danen Technology Corporation

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2025, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the Company that is required to be included in the consolidated financial statements of affiliates, is the same as the Company required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Additionally, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

Danen Technology Corporation

Chairman: Fang, Zhen-Ming

March 4, 2026

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Danen Technology Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Danen Technology Corporation and subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Authenticity of sales transactions

Description

Refer to Note 4(17) for accounting policies on operating revenue, and Note 6(15) for details of operating revenue.

The Company continues to seek for development opportunities for operating transformation and is currently engaged in trading of computer peripheral products and spare parts. Authenticity of sales transactions was material to the consolidated financial statements, and thus we considered authenticity of sales transactions as one of the key audit matters.

How our audit addressed the matter

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

1. Obtained an understanding of and assessed the credit checking process of significant sales customers, and confirmed the credit terms had been properly approved.

2. Obtained an understanding of the process and basis of sales revenue recognition and collection with the significant sales customers; in addition, evaluated the effectiveness of its related internal control and tested the effectiveness of internal control on shipping, invoicing and payment collection.
3. Sample checked the sales details of significant sales customers and verified the relevant certificates and future collection position.
4. Inspected contents and relevant evidences in relation to sales returns or discounts occurring subsequent to the reporting period.

Other matter – Auditors’ report on the parent company only financial statements

We have audited and expressed an unqualified opinion on the parent company only financial statements of Danen Technology Corporation as at and for the years ended December 31, 2025 and 2024.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Yu, Cheng-Fu

Huang, Chin-Lien

For and on behalf of PricewaterhouseCoopers, Taiwan

March 4, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

DANEN TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 48,973	7	\$ 16,450	2
1136	Current financial assets at amortised cost	6(3)	353,160	52	454,130	64
1170	Accounts receivable, net	6(4)	-	-	-	-
1200	Other receivables	6(2)	414	-	18,230	3
1220	Current income tax assets		651	-	878	-
1410	Prepayments		226	-	1,176	-
1479	Other current assets, others		3	-	3	-
11XX	Total current assets		<u>403,427</u>	<u>59</u>	<u>490,867</u>	<u>69</u>
Non-current assets						
1535	Non-current financial assets at amortised cost	6(3)	-	-	4,940	1
1550	Investments accounted for using equity method	6(6)	269,023	40	208,273	29
1600	Property, plant and equipment	6(7)	28	-	10	-
1755	Right-of-use assets	6(8)	5,246	1	7,869	1
1840	Deferred tax assets		39	-	39	-
1990	Other non-current assets, others	6(9)	591	-	708	-
15XX	Total non-current assets		<u>274,927</u>	<u>41</u>	<u>221,839</u>	<u>31</u>
1XXX	Total assets		<u>\$ 678,354</u>	<u>100</u>	<u>\$ 712,706</u>	<u>100</u>

(Continued)

DANEN TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2200	Other payables	6(10)	\$ 4,420	1	\$ 4,225	1
2280	Current lease liabilities		2,623	-	2,584	-
2399	Other current liabilities, others		175	1	190	-
21XX	Total current liabilities		<u>7,218</u>	<u>2</u>	<u>6,999</u>	<u>1</u>
Non-current liabilities						
2580	Non-current lease liabilities		<u>2,662</u>	(1)	<u>5,285</u>	1
25XX	Total non-current liabilities		<u>2,662</u>	(1)	<u>5,285</u>	1
2XXX	Total liabilities		<u>9,880</u>	<u>1</u>	<u>12,284</u>	<u>2</u>
Equity						
Share capital		6(12)				
3110	Ordinary share		764,951	113	764,951	107
Capital surplus						
3200	Capital surplus	6(13)	6,123	1	-	-
Retained earnings						
3350	Accumulated deficit	6(14)	(102,600)	(15)	(64,529)	(9)
3XXX	Total equity		<u>668,474</u>	<u>99</u>	<u>700,422</u>	<u>98</u>
Significant contingent liabilities and unrecognised contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	Total liabilities and equity		<u>\$ 678,354</u>	<u>100</u>	<u>\$ 712,706</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

DANEN TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for losses per share amounts)

	Items	Notes	Year ended December 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(15)	\$ 85,816	100	\$ 82,540	100
5000	Operating costs	6(5)	(86,447)	(101)	(83,369)	(101)
5900	Gross loss from operations		(631)	(1)	(829)	(1)
5950	Gross profit loss operations		(631)	(1)	(829)	(1)
	Operating expenses	6(19)(20)				
6100	Selling expenses		(40)	-	(40)	-
6200	Administrative expenses		(27,300)	(32)	(25,037)	(30)
6450	Expected credit gain	12(2)	60	-	70	-
6000	Operating expenses		(27,280)	(32)	(25,007)	(30)
6900	Net operating loss		(27,911)	(33)	(25,836)	(31)
	Non-operating income and expenses					
7100	Interest income	6(16)	8,637	10	11,443	14
7020	Other gains and losses	6(17)	(20,901)	(24)	(6,861)	(8)
7050	Finance costs	6(8)(18)	(100)	-	(18)	-
7060	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	2,204	2	16,873	20
7000	Total non-operating income and expenses		(10,160)	(12)	21,437	26
7900	Loss before tax		(38,071)	(45)	(4,399)	(5)
7950	Income tax expense	6(21)	-	-	39	-
8000	Loss from continuing operations		(38,071)	(45)	(4,360)	(5)
8200	Loss		(\$ 38,071)	(45)	(\$ 4,360)	(5)
	Other comprehensive loss					
8500	Total comprehensive loss		(\$ 38,071)	(45)	(\$ 4,360)	(5)
	Loss, attributable to:					
8610	Owners of parent		(\$ 38,071)	(45)	(\$ 4,360)	(5)
	Comprehensive loss attributable to:					
8710	Owners of parent		(\$ 38,071)	(45)	(\$ 4,360)	(5)
	Basic losses per share	6(22)				
9750	Basic losses per share		\$ 0.50		\$ 0.06	
	Diluted losses per share	6(22)				
9850	Diluted losses per share		\$ 0.50		\$ 0.06	

The accompanying notes are an integral part of these consolidated financial statements.

DANEN TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent			Total equity
		Ordinary share	Capital surplus	Unappropriated retained earnings	
<u>2024</u>					
Balance at January 1, 2024		\$ 764,951	\$ -	(\$ 60,169)	\$ 704,782
Loss for the year		-	-	(4,360)	(4,360)
Total comprehensive loss for the year		-	-	(4,360)	(4,360)
Balance at December 31, 2024		<u>\$ 764,951</u>	<u>\$ -</u>	<u>(\$ 64,529)</u>	<u>\$ 700,422</u>
<u>2025</u>					
Balance at January 1, 2025		\$ 764,951	\$ -	(\$ 64,529)	\$ 700,422
Loss for the year		-	-	(38,071)	(38,071)
Total comprehensive loss for the year		-	-	(38,071)	(38,071)
Changes in equity of investment in associates and joint ventures accounted for using equity method	6(6)(13)	-	6,123	-	6,123
Balance at December 31, 2025		<u>\$ 764,951</u>	<u>\$ 6,123</u>	<u>(\$ 102,600)</u>	<u>\$ 668,474</u>

The accompanying notes are an integral part of these consolidated financial statements.

DANEN TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 38,071)	(\$ 4,399)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(7)(8)(19)	2,638	2,264
Amortization expense	6(19)	117	110
Expected credit gain	12(2)	(60)	(70)
Interest expense	6(8)(18)	100	18
Interest revenue	6(16)	(8,637)	(11,443)
Impairment loss on financial assets	6(17)	17,686	11,760
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	(2,204)	(16,873)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		60	70
Prepayments		950	(504)
Changes in operating liabilities			
Other payables		196	(165)
Other current liability-other		(16)	(8)
Cash outflow generated from operations		(27,241)	(19,240)
Interest received		8,767	10,911
Interest paid		(100)	(18)
Income tax refunded(paid)		227	(199)
Net cash flows used in operating activities		(18,347)	(8,546)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(8,380)	(479,111)
Proceeds from disposal of financial assets at amortised cost		114,290	690,072
Acquisition of property, plant and equipment	6(7)	(33)	-
Acquisition of investments accounted for using equity method	6(6) and 7	(67,308)	(192,000)
Dividend income	6(6) and 7	14,885	600
Net cash flows from investing activities		53,454	19,561
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Payments of lease liabilities	6(23)	(2,584)	(2,219)
Net cash flows used in financing activities		(2,584)	(2,219)
Net increase in cash and cash equivalents		32,523	8,796
Cash and cash equivalents at beginning of year		16,450	7,654
Cash and cash equivalents at end of year		<u>\$ 48,973</u>	<u>\$ 16,450</u>

The accompanying notes are an integral part of these consolidated financial statements.

DANEN TECHNOLOGY CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

(1) Danen Technology Corporation (the Group) started preparing for establishment from October 1, 2007 and was incorporated as a Group limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on November 9, 2007. The Group is primarily engaged in manufacturing, processing and trading of solar-energy relevant products. Starting from July 20, 2010, the Group's stocks are officially listed on the Taiwan Stock Exchange.

(2) The subsidiary, Ming Yu Energy Co., Ltd was established on October 30, 2020. The Group is primarily engaged in renewable energy equipment power generating and energy technology consulting services.

(3) The Group and its subsidiaries are collectively referred herein as the "Group".

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 4, 2026.

3. Application of New Standards, Amendments and Interpretations

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

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

<u>New Release / Amendment / Revision Criteria and Explanations</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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

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

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

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

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

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

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

New Release / Amendment / Revision Criteria and Explanations	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by IASB
Amendments to IAS 18, ‘Presentation and Disclosure in Financial Statements’	January 1, 2027(Note)
Amendments to IAS 19, ‘Subsidiaries without Public Accountability: Disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

Note: The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

- A. The consolidated financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)	
			December 31, 2025	December 31, 2024
The Company	Ming Yu Energy Co., Ltd.	Renewable energy equipment power generating and energy technology consulting services	100	100

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

Foreign currency transactions and balances

A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

D. All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
 - (b) Assets that are held primarily for the purpose of trading;
 - (c) Assets that are expected to be realised within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled in the normal operating cycle;
 - (b) Liabilities that are held primarily for the purpose of trading;
 - (c) Liabilities that are due to be settled within twelve months after the reporting period;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts receivable

- A. Accounts receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(10) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.
- H. At the balance sheet date, the Group performs an impairment test for an investment in an associate when there is an indication that the investment may be impaired. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(11) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Office equipment	3~5 years
Other assets	5 years

(12) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(13) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(14) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

The Group has defined contribution plans. Contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(15) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(16) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(17) Revenue recognition

Sales revenue

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

(18) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Assumptions and Key Sources of Estimation Uncertainty

The preparation of these financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors.

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

None.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 25	\$ 70
Demand deposits	11,232	9,823
Time deposits with maturities within three months	37,716	6,557
	<u>\$ 48,973</u>	<u>\$ 16,450</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

(2) Other receivables

The Company's shareholders during their meeting on December 8, 2022 resolved to convert the equity interests of the Company's investee, CENTRILLION TECHNOLOGIES TAIWAN CO., LTD., held by each shareholder, except for the original equity interests of CENTRILLION TECHNOLOGIES TAIWAN CO., LTD.'s parent company, into preferred shares of Centrillion Technology Holdings Corp ('Centrillion Holdings') through adjusting the Group's shareholding structure. During the adjustment process of shareholding structure, the Company will convert equity interests of CENTRILLION TECHNOLOGIES TAIWAN CO. LTD at the agreed price, and obtain USD 1,000,000 and a promissory note issued by Centrillion Holdings to offset the Company's exercise of the put options of Centrillion Holdings' equity interests and serve as the guarantee for the preferred shares conversion in the future.

On July 14, 2023, the Company had converted equity interests of Centrillion Holdings and obtained the proceeds and the above promissory note. The Company assessed the estimated recoverable amount of convertible preferred shares amounting to \$29,446, which was shown as other receivables. As of the financial reporting date, the Company has not yet been able to obtain the preferred shares issued by Centrillion Holdings, and will continue to negotiate and communicate with Centrillion Holdings regarding the conversion of the preferred shares. The Company considered the possibility of conversion of the preferred shares and assessed the recoverable amount. Subsequently, provision for allowance for impairment loss amounting to \$17,686 was recognized in 2025. As of December 31, 2025, provision for allowance for impairment loss totaled NT\$29,446.

(3) Financial assets at amortised cost

Items	December 31, 2025	December 31, 2024
Current items:		
Time deposits	\$ 353,160	\$ 454,130
Non-current items:		
Time deposits	\$ -	\$ 4,940

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2025	2024
Interest income	\$ 6,975	\$ 11,259

B. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$353,160 and \$459,070, respectively.

C. The Group has no financial assets at amortised cost pledged to others as collateral.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable	\$ 15,451	\$ 15,511
Less: Allowance for uncollectible accounts	(15,451)	(15,511)
	<u>\$ -</u>	<u>\$ -</u>

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
Not past due	\$ -	\$ -
Up to 30 days	-	-
31 to 90 days	-	-
91 to 180 days	-	-
Over 181 days	15,451	15,511
	<u>\$ 15,451</u>	<u>\$ 15,511</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2025 and 2024, accounts receivable were all from contracts with customers.

C. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable was their carrying amount.

D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

For the years ended December 31, 2025 and 2024, details of related profit or loss recognised for inventories that are included in operating costs are as follows:

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Cost of goods sold	<u>\$ 86,447</u>	<u>\$ 83,369</u>

(6) Investments accounted for using equity method

	<u>2025</u>	<u>2024</u>
At January 1	\$ 208,273	\$ -
Addition of investments accounted for using equity method	67,308	192,000
Share of profit or loss of investments accounted for using equity method	2,204	16,873
Earnings distribution of investments accounted for using equity method	(14,885)	(600)
Changes in capital surplus	6,123	-
At December 31	<u>\$ 269,023</u>	<u>\$ 208,273</u>

A. Associates

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associates:		
Teinco Technology Co., Ltd	\$ 258,039	\$ 208,273
Ocean Pure Energy Co., Ltd.	10,984	-
	<u>\$ 269,023</u>	<u>\$ 208,273</u>

(a) The basic information of the associates that are material to the Group is as follows:

<u>Company name</u>	<u>Principal place of business</u>	<u>Ownership(%)</u>		<u>Nature of relation</u>	<u>Methods of measurement</u>
		<u>December 31, 2025</u>	<u>December 31, 2024</u>		
Teinco Technology Co., Ltd.	Taiwan	19.15%	20.44%	Strategic investment	Equity method
Ocean Pure Energy Co., Ltd.	Taiwan	50.00%	-	Strategic investment	Equity method

(b) The summarised financial information of the associates that are material to the Group is as follow:

Balance sheet

	<u>Teinco Technology Co., Ltd.</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assests	\$ 976,451	\$ 860,215
Non-current assets	573,765	495,490
Current liabilities	(279,992)	(462,139)
Non-current liabilities	(291,136)	(249,405)
Total net assests	<u>\$ 979,088</u>	<u>\$ 644,161</u>
Share in assoicate's net assets	\$ 187,527	\$ 131,656
Goodwill	59,509	76,617
Other	11,003	-
Carrying amount of the associate	<u>\$ 258,039</u>	<u>\$ 208,273</u>

Statement of comprehensive Income

	Teinco Technology Co., Ltd.	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Revenue	\$ 1,044,564	\$ 749,246
Profit for the period	\$ 50,276	\$ 84,916
Total comprehensive income for the period	\$ 50,276	\$ 84,916
Dividends received from associates	\$ 14,885	\$ 600

- (c) On April 10, 2024, the Board of Directors resolved to invest in Teinco Technology Co., Ltd. and on May 17, 2024, the Company acquired 6,000,000 shares at NT\$32 per share (in dollars) through the cash capital increase, for a total consideration amounting to \$192,000. Accordingly, the Company obtained 20.44% shares of the entity. The Company intends to strategically cooperate with the entity to develop the business related to the engineering and construction power plants of solar energy system.
- (d) On May 27, 2025, Teinco Technology Co., Ltd conducted a cash capital increase through the issuance of new shares. The Company did not subscribe in proportion to its original shareholding, resulting in an increase in its ownership percentage from 20.44% to 21.05%. The change in registration was completed on June 12, 2025.
- (e) Teinco Technology Co., Ltd issued employee stock options at July 31, 2025, resulting in the Group's ownership interest decreasing from 21.05% to 19.15%. Although the ownership percentage is below 20%, the equity method is applied because the Group holds seats on the board of directors of the investee and therefore has significant influence over the company.
- (f) The Group's material associate Teinco Technology Co., Ltd was registered on the Emerging Stock Market on November 27, 2025, and its fair value as of December 31, 2025 was \$282,955.
- (g) The Group holds a 50% equity interest in Teinco Technology Co., Ltd.; however, as the Group does not have substantive power to direct the relevant financial and operating activities, it is assessed that the Group does not have control over this entity but only significant influence.

(7) Property, plant and equipment

	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
At January 1, 2025			
Cost	\$ 1,475	\$ 44	\$ 1,519
Accumulated depreciation and impairment	(1,465)	(44)	(1,509)
	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 10</u>
<u>2025</u>			
January 1	\$ 10	\$ -	\$ 10
Additions	33	-	33
Depreciation charge	(15)	-	(15)
December 31	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ 28</u>
At December 31, 2025			
Cost	\$ 1,508	\$ 44	\$ 1,552
Accumulated depreciation and impairment	(1,480)	(44)	(1,524)
	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ 28</u>
	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
At January 1, 2024			
Cost	\$ 1,475	\$ 44	\$ 1,519
Accumulated depreciation and impairment	(1,387)	(44)	(1,431)
	<u>\$ 88</u>	<u>\$ -</u>	<u>\$ 88</u>
<u>2024</u>			
January 1	\$ 88	\$ -	\$ 88
Depreciation charge	(78)	-	(78)
December 31	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 10</u>
At December 31, 2024			
Cost	\$ 1,475	\$ 44	\$ 1,519
Accumulated depreciation and impairment	(1,465)	(44)	(1,509)
	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 10</u>

(8) Leasing arrangements – lessee

A. The Group leases various assets including offices. Rental contracts have lease terms covering the periods from 2025 to 2027, Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Offices	\$ 5,246	\$ 7,869

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Offices	\$ 2,623	\$ 2,186

C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$0 and \$7,869, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 100	\$ 18

E. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$2,684 and \$2,237, respectively.

(9) Other non-current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Guarantee deposits paid	\$ 587	\$ 587
Others	4	121
	<u>\$ 591</u>	<u>\$ 708</u>

(10) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expense payable		
Wages and salaries payable	\$ 1,079	\$ 950
Bonus payable	2,163	1,866
Service fees payable	820	1,054
Insurance expense payable	152	140
Others	206	215
	<u>\$ 4,420</u>	<u>\$ 4,225</u>

(11) Pensions

The Group has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. The Group contributes monthly an amount of at least 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance.

The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024, were \$433 and \$451, respectively.

(12) Share capital

As of December 31, 2025, the Group’s authorised capital was \$3,500,000, consisting of 350,000 thousand shares of ordinary stock, and the paid-in capital was \$764,951 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

(13) Capital surplus

For the years ended December 31, 2025 and 2024, the changes in the Company’s capital surplus mainly resulted from the recognition of changes in equity of investment in associates and joint ventures accounted for using equity method. The amounts of the impact were \$6,123 and \$0, respectively.

(14) Retained earnings (accumulated deficit)

A. Under the Company's Articles of Incorporation, the current years’ earnings, if any, shall be appropriated in the following order:

- (a) Pay all taxes.
- (b) Cover losses.
- (c) Set aside 10% for legal reserve until the legal reserve equals the total capital stock balance.
- (d) Set aside or reverse special reserve as required by regulations or the Competent Authority.
- (e) The appropriation of the current year’s distributable earnings less the abovementioned items of (a) to (d), plus prior year’s accumulated unappropriated earnings, shall be proposed by the Board of Directors and then approved by the shareholders.

The Group operates in a volatile business environment and is in the initial growth and growing stage. For an optimal financial plan suitable for an ongoing development, the Group’s dividend policy takes into consideration the future capital expenditure budget and capital needs, as well as the necessity of earnings fulfilling capital needs in order to determine the amount of earnings retained or distributed and the amount of dividends or bonus distributed to shareholders in the form of cash. Earnings can be distributed as cash dividends or stock dividends. However, earnings shall be preferably distributed using cash dividends and can also be distributed using stock dividends. The ratio for stock dividends shall not exceed 50% of the total amount of dividends distributed.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose.

The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Group's paid-in capital.

C. On June 18, 2025 and May 24, 2024, the Company's shareholders at their annual meetings resolved the deficit compensation for 2024 and 2023, respectively. Dividends will not be appropriated as there are accumulated deficit for both years.

On March 4, 2026, the Company's Board of Directors proposed the deficit compensation for 2025.

(15) Operating revenue

	Year ended December 31	
	2025	2024
Revenue from contracts with customers	\$ 85,816	\$ 82,540

The Group derives revenue from the transfer of sales revenue at a point in time in the following geographical regions:

	Year ended December 31	
	2025	2024
	Sales revenue	Sales revenue
Taiwan	\$ 85,816	\$ 82,540

(16) Interest income

	Year ended December 31	
	2025	2024
Interest income from bank deposits	\$ 1,517	\$ 175
Interest income from financial assets measured at amortised cost	6,975	11,259
Other interest income	145	9
	\$ 8,637	\$ 11,443

(17) Other gains and losses

	Year ended December 31	
	2025	2024
Foreign exchange (losses) gains	(\$ 3,215)	\$ 4,899
Impairment loss on financial assets	(17,686)	(11,760)
	(\$ 20,901)	(\$ 6,861)

Information relating to other gains and losses is provided in Note 6(2).

(18) Finance costs

	Year ended December 31	
	2025	2024
Interest expense	\$ 100	\$ 18

(19) Expenses by nature

	Year ended December 31	
	2025	2024
Employee benefit expense	\$ 16,401	\$ 16,430
Depreciation charge	2,638	2,264
Amortisation charge	117	110
	<u>\$ 19,156</u>	<u>\$ 18,804</u>

(20) Employee benefit expense

	Year ended December 31	
	2025	2024
Wages and salaries	\$ 12,119	\$ 12,028
Labour and health insurance fees	938	914
Pension costs	433	451
Directors' remuneration	2,437	2,383
Other personnel expenses	474	654
	<u>\$ 16,401</u>	<u>\$ 16,430</u>

A. When distributing earnings, the ratio of distributable profit of the current year shall not be lower than 5% for employees' compensation and shall not be lower than 20% of employees' compensation for lower-level employees' salary adjustments and compensation and shall not be higher than 3% for directors' remuneration. However, if the Company has an accumulated deficit, earnings should be used to cover losses.

Distribution of employees' compensation and directors' remuneration shall be approved by a resolution adopted by a majority vote at a meeting of Board of Directors attended by at least two-thirds of the total number of directors and shall be reported to the shareholders during their meeting.

Employees' compensation can be distributed in cash or shares and shall be distributed to the employees of subsidiaries of the Company who meet certain specific requirements.

B. For the years ended December 31, 2025 and 2024, there were no employees' compensation and the directors' remuneration.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(21) Income tax

A. For the years ended December 31, 2025 and 2024, the income tax benefit is \$0 and \$39, respectively.

B. Reconciliation between income tax expense and accounting loss:

	Year ended December 31	
	2025	2024
Tax calculated based on loss before tax and statutory tax rate	(\$ 7,614)	(\$ 880)
Temporary differences and taxable loss not recognised as deferred tax assets	7,614	880
Change in assessment of realisation of deferred tax assets	-	(39)
Income tax benefit	\$ -	(\$ 39)

C. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2025				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2016	\$ 521,594	\$ 521,594	\$ 521,594	2025
2017	696,793	696,793	696,793	2026
2018	646,299	646,299	646,299	2027
2019	171,436	171,436	171,436	2028
2020	82,522	82,233	82,036	2029
2021	266,797	266,797	266,797	2030
2022	29,348	29,348	29,348	2031
2023	13,111	13,111	13,111	2032
2024	14,439	14,439	14,439	2033
2025	17,317	17,317	17,317	2035
	<u>\$ 2,459,656</u>	<u>\$ 2,459,367</u>	<u>\$ 2,459,170</u>	

December 31, 2024				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	\$ 527,720	\$ 527,720	\$ 527,720	2025
2016	521,594	521,594	521,594	2026
2017	696,793	696,793	696,793	2027
2018	646,299	646,299	646,299	2028
2019	171,436	171,436	171,436	2029
2020	82,522	82,233	82,194	2030
2021	266,797	266,797	266,797	2031
2022	29,348	29,348	29,348	2032
2023	13,111	13,111	13,111	2033
2024	14,027	14,027	14,027	2034
	<u>\$ 2,969,647</u>	<u>\$ 2,969,358</u>	<u>\$ 2,969,319</u>	

D. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(22) Loss per share

	Year ended December 31, 2025		
	<u>Amount after tax</u>	<u>Number of ordinary shares outstanding (share in thousands)</u>	<u>Loss per share (in dollars)</u>
<u>Basic loss per share</u>			
Loss from continuing operations	(\$ 38,071)	76,495	(\$ 0.50)
<u>Diluted loss per share</u>			
Loss from continuing operations	(\$ 38,071)	76,495	(\$ 0.50)

	Year ended December 31, 2024		
	<u>Amount after tax</u>	<u>Number of ordinary shares outstanding (share in thousands)</u>	<u>Loss per share (in dollars)</u>
<u>Basic loss per share</u>			
Loss from continuing operations	(\$ 4,360)	76,495	(\$ 0.06)
<u>Diluted loss per share</u>			
Loss from continuing operations	(\$ 4,360)	76,495	(\$ 0.06)

(23) Changes in liabilities from financing activities

	2025		2024	
	<u>Lease liability</u>		<u>Lease liability</u>	
At January 1	\$	7,869	\$	2,219
Changes in cash flow from financing activities	(2,584)	(2,219)
Changes in other non-cash item		-		7,869
At December 31	\$	<u>5,285</u>	\$	<u>7,869</u>

7. Related Party Transactions

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Ming Yu Energy Co., Ltd.	Subsidiary
Teinco Technology Co., Ltd.	Associates
Ocean Pure Energy Co., Ltd.	Associates

(2) Significant related party transactions

A. Dividend income

Investments accounted for using equity method

Dividend income received by the Group's associates (presented as a deduction from investments accounted for using equity method) is as follows

	Year ended December 31	
	2025	2024
Associates	\$ 14,885	\$ 600

B. Acquisition of financial assets:

Associates	Accounts	No. of shares (in thousands)	Objects	Year ended December 31, 2025
				Consideration
Teinco Technology Co., Ltd	Investments accounted for using equity method	1,442	Ordinary shares	\$ 54,808

There was no such transaction in 2024.

(3) Key management compensation

	Year ended December 31	
	2025	2024
Short-term employee benefits	\$ 6,781	\$ 7,006
Post-employment benefits	18	36
	\$ 6,799	\$ 7,042

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

None.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management of the Group regularly reviews the capital structure and considers the cost and risk associated with different capital structure alternatives. In general, the Group adopts a prudent risk management strategy.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 48,973	\$ 16,450
Financial assets at amortised cost – current	353,160	454,130
Accounts receivable	-	-
Other receivables	414	18,230
Financial assets at amortised cost - non -current	-	4,940
Guarantee deposits paid	587	587
	<u>\$ 403,134</u>	<u>\$ 494,337</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Other payables	\$ 4,420	\$ 4,225
Lease liability	\$ 5,285	\$ 7,869

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with each operating unit.

The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group's certain transactions denominated in foreign currencies and is exposed to foreign exchange risk arising from the transactions of the Group used in various functional currency, primarily with respect to the USD. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require Group to manage their foreign exchange risk against their functional currency.
- iii. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

			December 31, 2025		
			Foreign currency amount (In thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$	2,452	31.430	\$	77,066
			December 31, 2024		
			Foreign currency amount (In thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$	2,400	32.785	\$	78,684

- iv. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024 amounted to (\$3,215) and \$4,899, respectively.

- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2025			
Sensitivity analysis			
Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 771	\$ -
Year ended December 31, 2024			
Sensitivity analysis			
Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 787	\$ -

Price risk

The Group does not have any significant risk recorded as financial assets measured at fair value through profit or loss.

Cash flow and fair value interest rate risk

The Group does not have significant cash flow and fair value interest rate risks.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 30 days based on the terms and there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- v. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the modified approach based on the loss rate methodology to estimate the expected credit loss.
- vi . The Group used the forecastability of overall economic information to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2025 and 2024, the loss rate methodology is as follows:

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 to 180 days past due</u>	<u>Over 180 days past due</u>	<u>Total</u>
<u>At December 31, 2025</u>					
Expected loss rate	0%	0%	0%	100%	
Total book value	\$ -	\$ -	\$ -	\$ 15,451	\$ 15,451
Loss allowance	\$ -	\$ -	\$ -	\$ 15,451	\$ 15,451
	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 to 180 days past due</u>	<u>Over 180 days past due</u>	<u>Total</u>
<u>At December 31, 2024</u>					
Expected loss rate	0%	0%	0%	100%	
Total book value	\$ -	\$ -	\$ -	\$ 15,511	\$ 15,511
Loss allowance	\$ -	\$ -	\$ -	\$ 15,511	\$ 15,511

- vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	<u>2025</u>	<u>2024</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
At January 1	\$ 15,511	\$ 15,581
Reversal of impairment loss	(60)	(70)
At December 31	<u>\$ 15,451</u>	<u>\$ 15,511</u>

(c) Liquidity risk

- i. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

- ii. Surplus cash held by each operating entity is managed by their respective finance departments, which invest the funds in interest-bearing current accounts, time deposits, money market deposits, and marketable securities. The selected instruments are chosen with appropriate maturities or sufficient liquidity to meet the above-mentioned forecasts and provide adequate cash availability for fund allocation.
- iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Other payables	\$ 4,420	\$ -	\$ -	\$ -
Lease liability	2,684	2,684	-	-

Non-derivative financial liabilities:

December 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Other payables	\$ 4,225	\$ -	\$ -	\$ -
Lease liability	2,684	2,684	2,684	-

The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow amount to be significantly different.

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- F. Significant inter-Group transactions during the reporting period: None.

(2) Information on investees

Names, locations and other information of investee companies: Please refer to table 1.

(3) Information on investments in Mainland China

None.

14. Operating segment information

(1) General information

The Group's chief operating decision-maker, the Board of Directors, who considers the Company as a single performance management entity and assesses performance, makes strategic decisions and allocates resources based on the overall financial statements, has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

The Board of Directors of the Group evaluates the performance of the operating segments based on the month financial statements.

(3) Information about segment profit or loss, assets and liabilities

The Group has only one reportable operating segment. Segment profit or loss, assets and liabilities are in agreement with those shown in the financial statements.

(4) Reconciliation information about segment profit or loss, assets and liabilities

The Group has only one reportable operating segment. Segment profit or loss, assets and liabilities are in agreement with those shown in the financial statements, thus there is no reconciliation.

(5) Information on products and services

Details of revenue from external customers are as follows:

	Year ended December 31	
	2025	2024
Computer peripheral products Revenue	\$ 85,816	\$ 82,540

(6) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 85,816	\$ 5,278	\$ 82,540	\$ 8,000

(7) Major customer information

Information about the Group's sales revenue to single customer in 2025 and 2024 accounted for more than 10% of the operating income.

Details of revenue are as follows:

Customer name	Year ended December 31	
	2025	2024
	Revenue	Revenue
Customer A	\$ 47,164	\$ 10,662
Customer B	9,640	28,110
Customer C	12,060	24,866
Customer D	9,173	8,603
	\$ 78,037	\$ 72,241

Danen Technology Corporation and subsidiaries
Names, locations and other information of investee companies (not including investees in Mainland China)
December 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Investment income		Footnote
				Balance as at	Balance as at	No. of shares	Ownership	Book value	Net profit (loss) of	Investment income	
				December 31, 2025	December 31, 2024				the investee for the year ended December 31, 2025 (Note 2(2))	recognised by the Company for the year ended December 31, 2025 (Note 2(3))	
Danen Technology Corporation	Ming Yu Energy Co., Ltd.	Taiwan	1. Renewable energy equipment power generation business 2. Environmental engineering	\$ 10,000	\$ 10,000	1,000	100.00%	\$ 9,955	\$ 43	\$ 43	Subsidiary
Danen Technology Corporation	Teinco Technology Co., Ltd.	Taiwan	Solar power system business	\$ 246,808	\$ 192,000	7,442	19.15%	\$ 258,039	\$ 50,276	\$ 3,720	Associates
Danen Technology Corporation	Ocean Pure Energy Co., Ltd.	Taiwan	1. Renewable energy equipment power generation business 2. Environmental engineering	\$ 12,500	\$ -	1,250	50.00%	\$ 10,984	(\$ 3,032)	(\$ 1,516)	Associates (Note 3)

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1)The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2025' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

(2)The 'Net profit (loss) of the investee for the year ended December 31, 2025' column should fill in amount of net profit (loss) of the investee for this period.

(3)The 'Investment income (loss) recognised by the Company for the year ended December 31, 2025' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Note 3:The cash capital increase date for Ocean Pure Energy Co., Ltd. was May 18, 2025.