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**I-sheng Electric Wire & Cable Co Ltd. and Subsidiaries
Consolidated Financial Statements and
Independent Auditors' Report for the
Years Ended December 31, 2025 and 2024**

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Consolidated Financial Statements

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Consolidated Financial statement of Affiliates

For the year 2025 (from January 1st, 2025 to December 31st, 2025), the companies that should be included in the preparation of consolidated financial statements for affiliates in accordance with the "Standards for the Preparation of Consolidated Business Reports for Affiliates, Consolidated Financial Statements for Affiliates, and Affiliation Reports" are the same as the companies that should be included in the preparation of consolidated financial reports for parent subsidiary companies in accordance with International Financial Reporting Standards No. 10, Moreover, the relevant information required to be disclosed in the consolidated financial statements of affiliates has been disclosed in the previous consolidated financial reports of the parent and subsidiary companies, so no separate consolidated financial statements of affiliates will be prepared.

Hereby declare

Company Name: I-sheng Electric Wire & Cable Co. Ltd.
Chairman: Zi Cheng Huang
March, 12nd 2026

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders of
I-sheng Electric Wire & Cable Co Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of I-sheng Electric Wire & Cable Co. Ltd. and its subsidiaries as of December 31st, 2025 and December 31st, 2024, and the consolidated comprehensive income statement, changes in equity and cash flows for the years ended, and notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31st, 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 (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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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 consolidated financial statements for the year ended December 31st, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

I-sheng Electric Wire & Cable Co Ltd. and its Subsidiaries recognized its 2025 revenue of NT\$7,550,216 thousand, and its main revenue resource came from the production and sales of power cord and plastic processing material, part of them were build-to-order production, due to the fact that product sales are mainly based on export market, the conditions and the form of trade are not exactly the same, the order usually includes the shipping service, therefore, it is to be determined when performance obligations are satisfied, which identifying the revenue recognition of customer contracts is a key audit matter.

Our auditing procedure includes but not limited to assessing the appropriateness of accounting policies for revenue recognition; testing the effectiveness of internal controls related to revenue recognition in the sales cycle; selecting samples to perform transaction detail testing, reviewing their transaction voucher, and reviewing the significant terms of the order or contract, identify the performance obligations, price allocation, and confirm the time point of fulfillment of the contract or order to confirm the correctness of the transaction recognition time point; sampling relevant vouchers of revenue transactions for a period of time before and after the balance sheet date to confirm that the revenue is recognized in an appropriate period of time.

Additionally, we consider the appropriateness of the operating income disclosure in notes IV and VI in the consolidated financial statements.

Other Matter - Mention of Audits by Other Accountants

Listed in the consolidated financial statements of I-sheng Electric Wire & Cable Co. Ltd. and its Subsidiaries, the financial statements of some subsidiaries have not been audited by ours, but have been audited by other accountants. Therefore, regarding the amount listed on the financial statement of the subsidiaries among our opinion in the above consolidated financial statement, are audited by other accountants. The total asset amount of December 31st of 2025 and 2024 is individually of NT\$1,207,616 thousands and NT\$988,115 thousands, which respectively stands 14% and 11% of the consolidated total asset amount, and the revenue of the time period from January 1st to December 31st of 2025 and 2024 is individually NT\$1,378,888 thousands and NT\$1,309,910 thousands, which respectively stands 18% and 18% of the total consolidated revenue; Among the aforementioned investee companies in the consolidated financial statements, part of the investee companies prepared financial statements based on accounting practice in Brazil, which were not audited by us, but by other auditors in accordance with the approved Brazil and International Standards on Auditing. Therefore, in the opinion expressed by us to the aforementioned consolidated financial statements, the amounts presented in the financial statements of those investee companies were based on other auditors' audit report and the results of additional audit procedures performed to comply with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the standards on auditing of Taiwan.

The invested amount which adopted the equity method for the invested company for the years ended December 31st 2025 and 2024 is individually of NT\$221,293 thousands and NT\$199,922 thousands, which stands respectively of 3% and 2% of the total consolidated asset amount, the profit or loss amount calculated by the equity method of affiliates and joint ventures is individually of NT\$24,226 thousands and NT\$34,428 thousands, which stands respectively of 3% and 4% of the consolidated profit before tax, the other comprehensive income calculated by the equity method of relevant enterprises and joint ventures is individually of NT\$2,012 thousands and NT\$(39,560) thousands, which stands respectively of (2)% and (17)% of the consolidated other comprehensive income.

Other Matter - Parent Company Only Financial Statement

We have also audited the parent company only financial statements of I-sheng Electric Wire & Cable Co. Ltd. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 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 maintain 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 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 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities of business activities with the Company to express the opinion on the consolidated financial statements. We are responsible for the direction, supervision, and the 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 and 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 relevance 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 for the year ended December 31st, 2025 and are therefore the key audit matter. 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' reports are Muriel Yu and Jamie Lu.

Ernst & Young
Taipei, Taiwan
Republic of China
March 12nd, 2026

I-Sheng Electric Wire & Cable Co., Ltd. And Its Subsidiaries
Consolidated Balance Sheet
For Years Ended December 31st, 2025 and 2024

Unit: New Taiwan Dollars

ASSETS			December 31st, 2025		December 31st, 2024	
Code	Accounting Items	Notes	Amount	%	Amount	%
	CURRENT ASSETS					
1100	Cash and cash equivalents	4 and 6.1	\$1,731,951	24	\$2,021,582	24
1110	Financial assets at fair value through profit or loss - current	4 and 6.2	25,387	2	209,045	2
1136	Financial assets at amortized cost - current	4, 6.4, 6.17 and 8	1,250,709	15	1,351,018	15
1150	Notes receivable, net	4, 6.5 and 6.17	147,385	1	106,530	1
1170	Accounts receivable, net	4, 6.6, 6.17 and 7	2,377,081	24	2,048,078	24
1200	Other receivables	7	40,275	1	49,109	1
1220	Income tax receivable	4 and 6.22	11,255	-	-	-
130x	Inventories	4 and 6.7	684,852	8	647,524	7
1410	Prepaid accounts		45,813	1	44,029	1
1470	Other current assets		50	-	68	-
11xx	Total current assets		<u>6,314,758</u>	<u>76</u>	<u>6,476,983</u>	<u>75</u>
	NONCURRENT ASSETS					
1510	Financial assets at fair value through profit or loss - noncurrent	4 and 6.2	18,563	-	-	-
1517	Financial assets at fair value through comprehensive income - noncurrent	4 and 6.3	393,456	5	411,219	4
1550	Investments accounted for using equity method	4 and 6.8	734,555	9	760,753	9
1600	Property, plant and equipment	4, 6.9 and 8	708,317	8	772,509	9
1755	Right-of-use assets	4, 6.20 and 7	135,952	2	144,440	2
1780	Intangible assets	4 and 6.10	579	-	1,013	-
1840	Deferred income tax assets	4 and 6.24	5,909	-	37,297	-
1900	Other noncurrent assets	4, 6.11 and 6.16	36,008	-	63,036	1
15xx	Total noncurrent assets		<u>2,033,339</u>	<u>24</u>	<u>2,190,267</u>	<u>25</u>
1xxx	TOTAL		<u>\$8,348,097</u>	<u>100</u>	<u>\$8,667,250</u>	<u>100</u>

(Please refer to the notes in the consolidated financial statement)

Chairman: Zi Cheng Huang

Manager: Yi Hsiung Fang

Accountant Manager: Shi Rong Kao

I-Sheng Electric Wire & Cable Co., Ltd. And Its Subsidiaries
Consolidated Balance Sheet (continued)
For Years Ended December 31st, 2025 and 2024

LIABILITIES AND EQUITY			December 31st, 2025		December 31st, 2024	
Code	Accounting Items	Notes	Amount	%	Amount	%
	CURRENT LIABILITIES					
2100	Short-term loans	6.12	\$1,625,358	19	\$1,700,000	20
2130	Contract liabilities - current	4 and 6.16	6,941	-	7,644	-
2150	Notes payable		2,051	-	2,177	-
2170	Accounts payable		650,915	8	618,995	7
2200	Other payables	6.13	231,584	3	219,716	2
2230	Income tax payable	4 and 6.22	62,674	1	132,587	2
2280	Lease liabilities	4, 6.18 and 7	933	-	-	-
2300	Other current liabilities		5,641	-	9,120	-
21xx	Total current liabilities		<u>2,586,097</u>	<u>31</u>	<u>2,690,239</u>	<u>31</u>
	NONCURRENT LIABILITIES					
2570	Deferred income tax liabilities	4 and 6.22	463,483	6	515,623	6
2622	Long-term accounts payable - noncurrent	4, 6.18 and 7	951	-	-	-
2600	Other noncurrent liabilities		664	-	9,441	-
25xx	Total noncurrent liabilities		<u>465,098</u>	<u>6</u>	<u>525,064</u>	<u>6</u>
2xxx	Total liabilities		<u>3,051,195</u>	<u>37</u>	<u>3,215,303</u>	<u>37</u>
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
3100	Capital stock					
3110	Ordinary share	6.15	1,876,622	22	1,876,622	21
3200	Capital Surplus	6.15	930,848	11	930,848	11
3300	Retained earnings	6.15				
3310	Appropriated as legal capital reserve		1,361,481	17	1,293,228	16
3320	Appropriated as special capital reserve		121,814	1	274,972	3
3350	Unappropriated earnings		1,092,781	13	1,084,415	12
	Total retained earnings		<u>2,576,076</u>	<u>31</u>	<u>2,652,615</u>	<u>31</u>
3400	Other equity					
3410	Exchange differences arising on translation of foreign operations		(319,820)	(4)	(238,811)	(3)
3420	Unrealized gain on investment in equity instruments at fair value through other		176,770	2	194,533	2
			<u>(143,050)</u>	<u>(2)</u>	<u>(44,278)</u>	<u>(1)</u>
31xx	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT		5,240,496	62	5,415,807	62
36xx	NON-CONTROLLING INTERESTS	6.15	56,406	1	36,140	1
3xxx	Total equity		<u>5,296,902</u>	<u>63</u>	<u>5,451,947</u>	<u>63</u>
	TOTAL		<u><u>\$8,348,097</u></u>	<u><u>100</u></u>	<u><u>\$8,667,250</u></u>	<u><u>100</u></u>

(Please refer to the notes in the consolidated financial statement)

Chairman: Zi Cheng Huang

Manager: Yi Hsiung Fang

Accountant Manager: Shi Rong Kao

I-Sheng Electric Wire & Cable Co., Ltd. And Its Subsidiaries
Consolidated Statements of Comprehensive Income
For Years Ended December 31st, 2025 and 2024

Unit: New Taiwan Dollars						
Code	Accounting Items	Notes	2025		2024	
			Amount	%	Amount	%
4000	OPERATING REVENUE	4 and 6.16	\$7,550,216	100	\$7,363,790	100
5000	OPERATING COST	6.7, 6.14 and 6.19	(6,320,074)	(84)	(6,253,485)	(85)
5950	GROSS PROFIT		1,230,142	16	1,110,305	15
6000	OPERATING EXPENSES	6.16, 6.21 and 7				
6100	Marketing		(178,490)	(2)	(185,541)	(3)
6200	General and administrative		(204,991)	(3)	(253,644)	(3)
6300	Research and development		(72,897)	(1)	(72,646)	(1)
6450	Expected credit impairment (loss) benefits	4 and 6.19	5,881	-	4,852	-
	Total operating expenses		(450,497)	(6)	(506,979)	(7)
6900	INCOME FROM OPERATIONS		779,645	10	603,326	8
7000	NON-OPERATING INCOME AND EXPENSES	6.22				
7100	Interest income	6.22	81,834	1	97,148	1
7010	Other income	6.22 and 7	51,538	1	40,615	1
7020	Other gains and losses	6.22	(77,215)	(1)	202,651	3
7050	Finance costs	6.22 and 7	(30,050)	-	(33,258)	-
7060	Share of profits of subsidiaries and associates	4 and 6.8	(6,561)	-	22,837	(1)
	Total non-operating income and expenses		19,546	1	329,993	3
7900	PROFIT BEFORE TAX		799,191	11	933,319	12
7950	INCOME TAX EXPENSE	4 and 6.24	(270,512)	(4)	(265,685)	(4)
8200	NET INCOME		528,679	7	667,634	8
8300	OTHER COMPREHENSIVE INCOME	6.23				
8310	Items that will not be reclassified subsequently to profit or loss:					
8311	Remeasurement of defined benefit obligation		(14,126)	-	2,788	-
8316	Unrealized gain (loss) on investment in equity instruments at fair value through other		(17,763)	-	142,472	2
8349	Income tax (expense) related to items that will not be reclassifies subsequently		2,825	-	(558)	-
8360	Items that may be reclassified subsequently to profit or loss:					
8361	Exchange differences arising on translation of foreign operations		(72,211)	(1)	147,214	2
8370	Share of other comprehensive income (loss) of associates - items that may be reclassified	4 and 6.8	(14,770)	-	(29,326)	-
8399	Income tax benefits (expense) related to items that may be reclassified subsequently		5,104	-	(29,278)	-
	Other comprehensive income (net after tax)		(110,941)	(1)	233,312	2
8500	Total comprehensive income		\$417,738	6	\$900,946	10
8600	NET INCOME ATTRIBUTABLE TO:					
8610	Shareholders of the parent		535,281	7	\$680,299	8
8620	Non-controlling interests		(6,602)	1	(12,665)	1
			\$528,679	8	\$667,634	9
8700	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
8710	Shareholders of the parent		425,208	6	\$913,223	10
8720	Non-controlling interests		(7,470)	-	(12,277)	-
			\$417,738	6	\$900,946	10
	EARNINGS PER SHARE					
9750	Basic earnings per share	6.25	\$2.85		\$3.63	
9850	Diluted earnings per share	6.25	\$2.84		\$3.61	

(Please refer to the notes in the consolidated financial statement)

Chairman: Zi Cheng Huang

Manager: Yi Hsiung Fang

Accountant Manager: Shi Rong Kao

I-Sheng Electric Wire & Cable Co., Ltd. And Its Subsidiaries
Consolidated Statements of Changes in Equity
For Years Ended December 31st, 2025 and 2024

Unit: New Taiwan Dollars

	Items	Equity Attributable to Shareholders of the Parent								Non-controlling Interests	Total Equity
		Capital Stock	Capital Surplus	Retained Earnings			Others		Total		
				Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
Code		3100	3200	3310	3320	3350	3410	3420	31XX	36XX	3XXX
A1	BALANCE, JANUARY 1ST, 2024	\$1,876,622	\$930,800	\$1,240,174	\$335,789	\$957,109	\$(327,033)	\$52,061	\$5,065,522	\$72,755	\$5,138,277
	Appropriation and distribution of surplus in 2024 :								-		-
B1	Provision of legal reserve			53,054		(53,054)			-		-
B3	Provision of special reserve				(60,817)	60,817			-		-
B5	Ordinary share cash dividends					(562,986)			(562,986)		(562,986)
C3	Donation from shareholders								-		-
C17	Distribution of cash dividends from capital surplus		48						48.00		48
D1	NET INCOME OF 2024					680,299			680,299.00	(12,665)	667,634
D3	Other comprehensive income of 2024					2,230	88,222	142,472	232,924	388	233,312
D5	Total comprehensive income	-	-	-	-	682,529	88,222	142,472	913,223	(12,277)	900,946
Q1	Disposal current equity investments measure at fair value through other comprehensive income								-	(24,338)	(24,338)
O1	Increase in non-controlling interests								-		-
Z1	BALANCE, DECEMBER 31ST, 2024	\$1,876,622	\$930,848	\$1,293,228	\$274,972	\$1,084,415	\$(238,811)	\$194,533	\$5,415,807	\$36,140	\$5,451,947
A1	BALANCE, JANUARY 1ST, 2025	\$1,876,622	\$930,848	\$1,293,228	\$274,972	\$1,084,415	\$(238,811)	\$194,533	\$5,415,807	\$36,140	\$5,451,947
	Appropriation and distribution of surplus in 2025:										
B1	Provision of legal reserve			68,253		(68,253)			-		-
B3	Reversal of special reserve				(153,158)	153,158			-		-
B5	Ordinary share cash dividends					(600,519)			(600,519)		(600,519)
C3	Donation from shareholders								-		-
C15	Distribution of cash dividends from capital surplus										
D1	NET INCOME OF 2025					535,281			535,281	(6,602)	528,679
D3	Other comprehensive income of 2025					(11,301)	(81,009)	(17,763)	(110,073)	(868)	(110,941)
D5	Total comprehensive income	-	-	-	-	523,980	(81,009)	(17,763)	425,208	(7,470)	417,738
Q1	Disposal current equity investments measure at fair value through other comprehensive income								-	27,736	27,736.00
O1	Increase in non-controlling interests								-		-
Z1	BALANCE, DECEMBER 31ST, 2025	\$1,876,622	\$930,848	\$1,361,481	\$121,814	\$1,092,781	\$(319,820)	\$176,770	\$5,240,496	\$56,406	\$5,296,902

(Please refer to the notes in the consolidated financial statement)

Chairman: Zi Cheng Huang

Manager: Yi Hsiung Fang

Accountant Manager: Shi Rong Kao

I-Sheng Electric Wire & Cable Co., Ltd. And Its Subsidiaries

Consolidated Statements on Cash Flow

For Years Ended December 31st, 2025 and 2024

Unit: New Taiwan Dollars

Code	Items	2025	2024	Code	Items	2025	2024
		Amount	Amount			Amount	Amount
	CASH FLOWS FROM OPERATING ACTIVITIES				CASH FLOWS FROM INVESTING ACTIVITIES		
A00010	Profit before tax	\$799,191	\$933,319	B00040	Acquisition of financial assets at amortized cost	(4,555,254)	(4,591,944)
A20000	Adjustments for:			B00050	Disposal of financial assets at amortized cost	4,594,338	5,090,494
A20010	Adjustments to reconcile profit (loss)			B01900	Acquisition of investments accounted for using equity method	-	(562,186)
A20100	Depreciation expense	94,501	104,396	B02000	Advance Payment for Investment	12,840	(12,840)
A20200	Authorization expense	562	1,526	B02300	Disposal of a subsidiary	-	40,638
A20300	Expected credit losses (benefits)	(5,881)	(4,852)	B02700	Acquisition of property, plant and equipment	(55,461)	(51,277)
A20400	Disposal of financial assets and net liabilities measured at fair value through	13,702	(48,433)	B02800	Disposal of property, plant and equipment	4,448	2,137
A20900	Interest expense	30,050	33,258	B03700	Refundable deposit	(1,998)	
A21200	Interest income	(81,834)	(97,148)	B04500	Acquisition of intangible assets	(139)	(131)
A21300	Dividend income	(12,381)	(12,074)	B06700	Other noncurrent assets	2,072	(57,832)
A22300	Share of profits of subsidiaries and associates	6,561	(22,837)	B07100	Advance payments for equipment	431	(931)
A22500	Loss (gain) on disposal or retirement of property, plant and equipment (b	(1,912)	1,119	B07500	Interests received	84,648	93,836
A29900	Other	-	(28,023)	B07600	Dividend received	12,381	12,074
				BBBB	Net cash used in investing activities (outflow)	98,306	(37,962)
A30000	Changes in assets/liabilities related to operating activities				CASH FLOWS FROM FINANCING ACTIVITIES		
A30000	Changes in assets/liabilities related to operating activities			C00100	Increase in short-term loans	5,358	1,300,000
A31115	Current financial assets mandatorily measured at fair value through profit or loss	145,750	(122,941)	C00200	Short-term loans (decrease)	(80,000)	(1,200,000)
A31130	Notes receivable	(40,855)	(3,190)	C03600	Refundable deposits	(8,733)	-
A31150	Accounts receivable	(323,122)	(293,499)	C03700	Other payables - related parties	-	477,149
A31180	Other receivables	(4,210)	3,581	C04020	Repayment of the principal portion of lease liabilities	(916)	(955)
A31200	Inventories	(37,328)	(170,836)	C04500	Distribution of cash dividends	(600,519)	(562,986)
A31230	Prepaid accounts	(1,784)	(7,222)	C05600	(Paid) interests	(29,895)	(32,951)
A31240	Other current assets	18	614	C05800	Changes in non-controlling interests	27,736	-
A32125	Contract liabilities	(703)	(7,139)	C05900	Other financing activities	(44)	8,869
A32130	Notes payable	(126)	315	CCCC	Net cash used in financing activities (outflow)	(687,013)	(10,874)
A32150	Accounts payable	31,920	241,622				
A32180	Other payables	11,713	15,830				
A32230	Other current liabilities	(3,479)	5,319				
A32240	Net defined benefit asset	(443)	(1,087)	DDDD	IMPACT OF CHANGES ON EXCHANGE RATES ON CASH AND CASH EQ	43,669	61,539
A33000	Cash generated from operations	619,910	521,618	EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(289,631)	299,224
A33500	(Paid) income tax	(364,503)	(235,097)	E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	2,021,582	1,722,358
AAAA	Net cash generated by operating activities	255,407	286,521	E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	\$1,731,951	\$2,021,582

(Please refer to the notes in the consolidated financial statement)

Chairman: Zi Cheng Huang

Manager: Yi Hsiung Fang

Accountant Manager: Shi Rong Kao

I-sheng Electric Wire & Cable Co. Ltd.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31st, 2025 AND 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL

1. I-sheng Electric Wire & Cable Co. Ltd. (originally I-Shun Electric Wire & Cable Co. Ltd, hereinafter refer to as the “Company”) , a Republic of China (R.O.C.) corporation, was incorporated on November 25th, 1986, the main business items include the manufacturing, processing, and trading of electric wires, on November 1st, 1997, the Company merged I-sheng Electric Wire & Cable Co. Ltd (hereinafter referred to as the original I-sheng Company) to expand its business scope and promote reasonable operation, since then renamed to I-sheng Electric Wire & Cable Co. Ltd. After the merger, the business items include manufacturing, processing, and trading of power transmission lines, electronic signal lines, and network routes with connectors. The products are mainly used in computer, communication, and consumer electronics products.
2. In July 1999, this Company was approved by the regulatory authority to conduct public offering of stocks. On July 16th, 2001, the company was approved by the Taiwan Securities and Futures Commission (TSFC) to list its stocks on the over-the-counter market, and officially began trading on December 17th, 2001. In addition, on June 17th, 2004, the Company was approved by the TSFC (Letter No. 0930128066) to transfer its stock from the over-the-counter market to the stock exchange market, and began trading on July 19th, 2004. The Company is registered and operates primarily at No. 50.52, Dinghu Road, Dahu Li, Guishan District, Taoyuan City.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS^{SEP}

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on March 12nd, 2026.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

1. Changes in accounting policies arising from first-time adoption of IFRSs:
The Group has adopted the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively “IFRS accounting standards”) endorsed and issued into effect by the Financial Supervisory Commission (the “FSC”) since January 1, 2025, and the first-time adoption incurs no significant impact to the accounting policies of the Group.
2. As of the date when the financial statements were authorized for issue, the Group has not yet adopted the following new, revised, or amended standards or interpretations issued by the IASB and endorsed by the FSC

Item	New, Revised or Amended Standards and Interpretations	The Effective Date Announced by IASB
1	IFRS 17: “Insurance Contracts”	January 1 st , 2023
2	“Classification and Measurement of Financial Instruments” (Amendments to IFRS 9 and IFRS 7)	January 1 st , 2026
3	Annual Improvements to IFRS Accounting Standards—Volume 11	January 1 st , 2026
4	“Contracts Referencing Nature-dependent Electricity” (Amendments to IFRS 9 and IFRS 7)	January 1 st , 2026

(1) IFRS 17: “Insurance Contracts”

This standard provides a comprehensive model for insurance contracts, including all accounting-related aspects (recognition, measurement, presentation, and disclosure principles). The core of the standard is the general model, under which insurance contract groups are measured by the aggregate of the present value of the expected cash flows and the contract service margin at initial recognition. At each reporting date, the carrying amount of the insurance contract group is the sum of the liability for remaining coverage and the liability for incurred claims.

In addition to the general model, specific application approaches are provided for contracts with direct participation features (variable fee approach) and simplified method for short-term contracts (premium allocation approach).

This standard was issued in May, 2017 and subsequently amended in 2020 and 2021. The amendments, in addition to providing transitional relief and additional exemptions, delayed the effective date by two years (i.e., from January 1st, 2021 to January 1st, 2023) and simplified

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

certain provisions to reduce the cost of adopting this standard. Additionally, certain provisions were revised to make them easier to interpret in certain circumstances. This standard will supersede the transitional standard (i.e., IFRS 4 “Insurance Contracts”).

- (2) “Classification and Measurement of Financial Instruments” (Amendments to IFRS 9 and IFRS 7)
The amendments include:

- (a) Clarify that a financial liability is derecognized on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and government (ESG)-linked features and other similar contingent features.
- (c) Clarify the treatment of non-recourse assets and contractually linked instrument.
- (d) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments fair value through other comprehensive income.

- (3) Annual Improvements to IFRS Accounting Standards—Volume 11

- (a) Amendments to IFRS 1
- (b) Amendments to IFRS 7
- (c) Amendments to Guidance on implementing IFRS 7
- (d) Amendments to IFRS 9
- (e) Amendments to IFRS 10
- (f) Amendments to IAS 7

- (4) “Contracts Referencing Nature-dependent Electricity” (Amendments to IFRS 9 and IFRS 7)

The amendments include:

- (a) Clarify the application of the “own use” requirements.
- (b) Permit hedge accounting if these contracts are used as hedging instruments.
- (c) Add new disclosure requirements to enable investors to understand the effects of these contracts on an entity’s financial performance and cash flows.

The above are the standards or interpretations issued by International Accounting Standards Board but not endorsed by the FSC. The Group is assessing the potential impacts from new or amended standards or interpretations, but temporarily unable to reasonably estimate the impacts from the abovementioned standards or standards.

The above new, that are applicable starting January 1st, 2026, does not have significant effect to the Company.

3. As of the date the accompanying financial statements were authorized for issue, the Company has not yet endorsed the following new, revised or amended standards and interpretations approved by the FSC that were announced by the International Accounting Standards Board (IASB):

Item	New, Revised or Amended Standards and Interpretations	The Effective Date Announced by IASB
1	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	To be determined by IASB
2	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1 st , 2026
3	Disclosure Initiative – “Subsidiaries without Public Accountability” (IFRS 19)	January 1 st , 2027
4	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1 st , 2027

(Note) FSC issued the press release on September 25, 2025 about that Taiwan will align with IFRS 18 since 2028.

- (1) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The project addresses the acknowledged inconsistency between the requirements in IFRS 10 “Consolidated Financial Statement” and IAS 28 “Investments in Associates and Joint Ventures”, in dealing with the loss of control of a subsidiary that is contributed to an associate or joint venture. IAS 28 requires that gains and losses resulting from upstream and downstream transactions between an investor and its associate or a joint venture should only be recognized to the extent of the interest attributable to the other equity holders in the associate or joint venture

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(partial gain or loss recognition); IFRS 10 requires that any investment the parent has in the former subsidiary after control is lost should be measured at fair value and that any resulting gain or loss should be recognized in profit or loss (full gain or loss recognition). This has modified the aforementioned regulation of IAS 28, which a full gain or loss should be recognized on the loss of control of a business, as defined in IFRS 3, regardless of whether the transaction is between an investor and its associate or joint venture.

This amendment also modifies IFRS 10 to allow investors to enter into relationships with their affiliates or joint ventures, when the sale or investment of a subsidiary does not constitute a business as defined in IFRS 3, the benefits or losses arising therefrom are recognized only to the extent that they are not attributable to the investor's share.

(2) IFRS 18 “Presentation and Disclosure in Financial Statements”

he standard will replace IAS 1 “Presentation of Financial Statements.” The primary changes are as follows:

(a) Increasing comparability of the income statements

Items in the statement of profit or loss will need to be classified into categories: operating, investing, financing, income taxes and discontinued operations. The first three categories are new, to improve the structure of income statements. The standard also requires entities to provide newly defined subtotals (including operating profit or loss). The standard improves the income statement's structure and newly defined subtotals, which makes companies' financial performance easier to compare and provides a consistent starting point for investors' analysis.

(b) Enhancing transparency of management performance measurement

Explanations on requiring entities to disclose specific indicators related to income statements (management-defined performance measures (MPM)).

(c) Useful summary of financial information

The standard sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. The standard also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(3) Disclosure Initiative – “Subsidiaries without Public Accountability” (IFRS 19)

The standard permits subsidiaries without public accountability to provide reduced disclosure when applying IFRS accounting standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(4) Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

(a) Clarify that when the results and financial position of an entity whose functional currency is the currency of a non-hyperinflationary economy are translated into a hyperinflationary presentation currency, all amounts are translated at the closing rate at the date of the most recent statement of financial position.

(b) Under the aforementioned condition, when the entity's presentation currency ceases to be hyperinflationary, the reporting entity shall not restate the amounts in prior financial statements.

(c) An entity whose functional currency and presentation currency are both the currency of a hyperinflationary economy, the reporting entity shall do accounting treatments in accordance with paragraph 34 of IAS 29.

contracts on an entity's financial performance and cash flows.

The above are the standards or interpretations issued by International Accounting Standards Board but not endorsed by the FSC. The Group is assessing the potential impacts from new or amended standards or interpretations, but temporarily unable to reasonably estimate the impacts from the abovementioned standards or standards.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Statement of Compliance

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The consolidated financial reports of the Group for the years ended 2025 and 2024, have been prepared in conformity with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and International Financial Reporting Interpretations and Interpretations (IFRIs) recognized by the Financial Supervisory Commission.

2. Basis of Preparation

Besides with financial instruments measured at fair value, the consolidated financial statements of the entity are prepared on a basis of historical cost. Unless otherwise stated, the financial statements of the entity are presented in the unit of “thousand” of New Taiwan Dollars.

3. Consolidation Overview

The basis for the consolidated financial statements

Control is achieved when the Company is exposed to variable compensation from participation in the investee or has rights to such variable compensation, and has the ability to influence such compensation through its power over the investee. Especially, the Company only controls the investee when it has the following three control elements:

(1) The power over the investee (i.e. the existing right to empower them with the current ability to lead relevant activities)

(2) Exposure or rights to variable returns from participation in the investee, and

(3) The ability to use its power over the investee to influence the amount of investor compensation
When the Company directly or indirectly holds less than a majority of the voting or similar rights of the investee, the Company considers all relevant facts and circumstances to evaluate whether it has power over the investee, including:

(1) Contract agreements with other voting rights holders of the investee

(2) Rights arising from other contractual agreements

(3) Voting rights and potential voting rights

When facts and circumstances indicate a change in one or more of the three control elements, the company reassesses whether it still controls the investee.

From the date of acquisition (i.e., the date when the Company obtains control), all subsidiaries are included in the consolidated financial statements until the date of loss of control over the subsidiaries. The accounting period and accounting policies of the subsidiary's financial statements are consistent with those of the parent company. All internal account balances, transactions, unrealized internal gains, and losses arising from internal transactions within the group, and dividends are fully written off.

If there is no loss of control over a subsidiary's shareholding, the change in equity is treated as an equity transaction.

The total comprehensive income of subsidiaries is attributable to the owners and non-controlling interests of the Company, even if the non-controlling interests result in a loss balance.

If the Company loses control over its subsidiaries, then

(1) Assets (including goodwill) and liabilities of listed subsidiaries;

(2) Exclude any non-controlling interests from the carrying amount;

(3) Recognize the fair value of the consideration obtained;

(4) Recognize the fair value of any investment retained;

(5) The rearrange of parent company previously recognized in other comprehensive profits and losses as current profits and losses, or according to other IFRS rule recognized in retained earnings.

(6) Recognize any gains or losses as current profit or loss.

The detail information of the subsidiaries at the end of reporting period was as follows:

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership	
			December 31 st , 2022	December 31 st , 2021
The Company	MASTER LAKE INT'L LIMITED (B.V.I.)	Trading of power cables, wire plug sets, and their components.	100%	100%
The Company	I SHENG ELECTRIC WIRE & CABLE COMPANY (VIETNAM)	Trading of power cables, wire plug sets, and	100% (note 1)	100%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership	
			December 31 st , 2022	December 31 st , 2021
		their components.		
The Company	WAYSBOOTH CO., LTD. (B.V.I.)	Investing in a third regional holding company in mainland China.	100%	100%
The Company	YEAR SWEEP LIMITED (SAMOA)	Investing in a third regional holding company in mainland China.	100%	100%
The Company	I-SHENG (JAPAN) CO., LTD.	Trading of power cables, wire plug sets, and their components.	100%	100%
The Company	TAI TUNG CO., LTD. (B.V.I.)	Investing in a third regional holding company in mainland China.	100%	100%
The Company	I SHENG VIETNAM TRADING AND SERVICE CO., LTD	Trading of power cables, wire plug sets, and their components. °	100%	100%
The Company	ADMIRAL HOLDING CORP.	Production and sales of wires, plug wires, connectors, plastic parts, and other products.	51%	51%
YEAR SWEEP LIMITED (SAMOA)	MINHONG WIRE & CABLE (SHENZHEN) CO., LTD.	Production and sales of wires, plug wires, connectors, plastic parts, and other products.	100%	100%
YEAR SWEEP LIMITED (SAMOA)	I-SHENG ELECTRONICS(KUNSHAN) CO., LTD.	Production and sales of wires, plug wires, connectors, plastic parts, and other products.	100%	100%
WAYSBOOTH CO., LTD. (B.V.I.)	WAYSBOOTH CO., LTD. (H.K.)	Investing in a third regional holding company in mainland China.	100%	100%
WAYSBOOTH CO., LTD. (H.K.)	I-SHENG MANUFACTURING (SONG GANG) FACTORY	Production and sales of wires, plug wires, connectors, plastic parts, and other products.	100%	100%
TAI TUNG CO., LTD. (B.V.I.)	DONGGUAN DATONG WIRE CO., LTD.	Production and sales of wires, plug wires, connectors, plastic parts, and other products.	100%	100%
I SHENG ELECTRIC WIRE & CABLE(VIETNAM)	I-LI ELECTRIC WIRE & CABLE(VIETNAM)	Production and sales of wires, plug wires, connectors, plastic parts, and other products.	51% (note 2)	-

Note :As of December 31, 2025 and 2024, I SHENG ELECTRIC WIRE & CABLE COMPANY (VIETNAM)及I-LI ELECTRIC WIRE & CABLE(VIETNAM) prepared financial statements based on IFRS and relevant laws and requirements about presenting consolidated financial statements in Vietnam, which were not audited by the us, but by other auditors in accordance with the standards on auditing in Vietnam. Therefore, the amounts presented in the financial statements of those investee companies were based on other auditors' audit report and the results of additional audit procedures performed to comply with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)
Public Accountants and the standards on auditing of Taiwan.

4. Transactions of Foreign Currencies

The consolidated financial statements of the Group are expressed in the functional currency of the parent company, New Taiwan Dollars. Each entity within the group determines its functional currency and measures its financial statements in that functional currency.

Foreign currency transactions are recorded in the functional currency using the exchange rate on the transaction date. At the end of each reporting period, foreign currency monetary items are measured using the closing exchange rate on that day; non-monetary items denominated in foreign currency measured at fair value are re-measured at the exchange rate on the valuation date; non-monetary items denominated in foreign currency measured at historical cost are measured using the exchange rate on the original transaction date.

Except for the following, exchange differences arising from delivery or conversion of monetary items are recognized as profit or loss in the current period:

- (1) If the exchange difference arising from foreign currency borrowings incurred to obtain eligible assets is considered an adjustment to interest costs, it is a portion of the borrowing costs and is capitalized as the cost of the asset.
- (1) Foreign currency items subject to IFRS 9 "Financial Instruments" shall be treated in accordance with the accounting policies for financial instruments.
- (2) The exchange differences arising from monetary items that form part of the reported individual's net investment in foreign operations are initially recognized as other comprehensive income, and are reclassified from equity to profit or loss upon disposal of the net investment.

When the benefit or loss of a non-monetary item is recognized as other comprehensive income, any exchange component of the benefit or loss is recognized as other comprehensive income. When the benefit or loss of a non-monetary item is recognized as profit or loss, any exchange component of the benefit or loss is recognized as profit or loss.

5. Translation of Foreign Currency Financial Statements

When preparing the consolidated financial statements, the assets and liabilities of operations are converted into New Taiwan Dollars at the closing exchange rate on the balance sheet date, and the income and expense items are converted at the average exchange rate of the current period. The exchange differences arising from conversion are recognized as other comprehensive gains and losses, and when the foreign operations is disposed of, the accumulated exchange differences previously recognized as separate components of other comprehensive income and accumulated under equity are reclassified from equity to profit or loss when the disposal gains and losses are recognized. Partial disposal involving loss of control of subsidiaries containing foreign operations, and partial disposal of interests in affiliated enterprises or joint agreements containing foreign operations, where the retained interests include financial assets of foreign operations, shall also be treated as disposal.

When disposing of a subsidiary that includes a foreign operations without losing control, the accumulated exchange differences recognized in other comprehensive income are adjusted pro rata using the "investment using the equity method" instead of being recognized as profit or loss; When disposing of a portion of affiliated enterprises or jointly controlled individuals that include foreign operations without losing significant influence or joint control, the accumulated exchange differences are reclassified pro rata to profit or loss.

The goodwill generated by the acquisition of a foreign operations, and the fair value adjustments made to the carrying amounts of its assets and liabilities are recognized as the assets and liabilities of the foreign operations, and are presented in its functional currency.

6. Classification of Current and Noncurrent Assets and Liabilities

Under any of the following circumstances are classified as current assets, and those that do not belong to current assets are classified as noncurrent assets:

- (1) The current assets that the business entity expects to realize, or intends to sell or consume, in its normal operating cycle.
- (2) Holds the asset primarily for the purpose of trading.
- (3) Expects to realize the asset within twelve months after the date of statement of financial position.
- (4) The asset is cash or a cash equivalent. Unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the date of statement of financial position.

Under any of the following circumstances are classified as current liabilities, and those that do not

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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belong to current assets are classified as noncurrent liabilities:

- (1) The liabilities that the business entity is to be expected to settle the liability in its normal operating cycle.
- (2) Holds the liabilities primarily for the purpose of trading.
- (3) Expects to realize the liabilities within twelve months after the date of statement of financial position.
- (4) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the date of statement of financial position. The terms of a liability that may be settled by the issuance of equity instruments at the option of the counterparty do not affect its classification.

7. Cash and Cash Equivalents

Cash on hand, demand deposits, and short-term, highly liquid certificate deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including the certificate of deposits within three months of the contract period).

8. Financial Instruments

Financial assets and liabilities shall be recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities compliant with the scope of application of IFRS 9 "Financial Instruments", are initially recognized at fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(1) Recognition and Measurement of Financial Assets

The recognition and derecognition of all financial assets of the Group that are conventionally traded shall be subject to transaction date accounting.

The Group classifies financial assets as financial assets that are subsequently measured at amortized cost, measured at fair value through other comprehensive profit or loss, or measured at fair value through profit or loss based on the following two items:

- A. Business model for financial assets management
- B. Contractual cash flow characteristics of financial assets

Financial assets measured at amortized cost

Financial assets that meet both of the following conditions are measured at amortized cost, and are reported in the balance sheet as notes receivable, accounts receivable, financial assets measured at amortized cost, and other receivables:

- A. Business model for financial assets management: holding financial assets to receive contractual cash flows
- B. Contractual cash flow characteristics of financial assets: The cash flow is entirely the interest on the principal amount paid and the outstanding principal amount

The financial assets described (excluding those involving hedging relationships) are subsequently measured using the amortized cost. [This involves measuring the assets at their original recorded amount, adjusted for any principal repayments made, and adding or subtracting the cumulative amortization amount based on the effective interest method, as well as adjusting for any impairment losses.] Any gains or losses resulting from derecognition, amortization, recognition of impairment gains or losses, are recognized in the income statement. Interest calculated using the effective interest method (by multiplying the total carrying amount of the financial asset by the effective interest rate), or interest calculated under the following circumstances, is recognized in the income statement:

- A. For credit impaired financial assets purchased or created, the effective interest rate after credit adjustment is multiplied by the amortized cost of the financial asset.
- B. For those that do not belong to the former but subsequently become credit impaired, the effective interest rate is multiplied by the amortized cost of the financial asset.

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

Financial assets measured at fair value through other comprehensive income

The financial assets that meet both of the following conditions are measured at fair value through other comprehensive income, and are reported on the balance sheet as so:

- A. Business model for financial assets management: to receive contractual cash flows and to sell the financial assets
- B. Contractual cash flow characteristics of financial assets: The cash flow is entirely the interest on the principal amount paid and the outstanding principal amount

The recognition of profit or loss related to such financial assets is explained as follows:

- A. Before recognition or derecognition, except for impairment gains or losses and foreign currency exchange gains and losses recognized in profit or loss, their gains or losses are recognized in other comprehensive income.
- B. Upon disaggregation, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments.
- C. Interest calculated using the effective interest method (using the effective interest rate multiplied by the total book amount of financial assets) or the following circumstances is recognized in profit or loss :
 - (a) For credit impaired financial assets purchased or created, the effective interest rate after credit adjustment is multiplied by the amortized cost of the financial asset.
 - (b) For those that do not belong to the former but subsequently become credit impaired, the effective interest rate is multiplied by the amortized cost of the financial asset.

In addition, for equity instruments that fall within the scope of application of IFRS 9 and are neither held for trading nor contingent consideration recognized by acquirers in business combinations to which IFRS 3 applies, at the time of initial recognition, they elect (irrevocably) to report their subsequent changes in fair value in other comprehensive income. The amount reported in other comprehensive income shall not be subsequently transferred to profit or loss (when disposing of such equity instruments, the accumulated amount included in other equity items shall be directly transferred to retained earnings), and shall be reported in the balance sheet as a financial asset measured at fair value through other comprehensive income. Dividends on investments are recognized in profit or loss unless they clearly represent the recovery of some of the investment costs.

Financial assets measured at fair value through profit and loss

Financial assets are measured at fair value through profit or loss, and are reported on the balance sheet, except for those that meet certain conditions and are measured at amortized cost or measured at fair value through other comprehensive income.

Such financial assets are measured at fair value, and the gains or losses arising from their remeasurement are recognized as profit or loss. The gains or losses recognized as profit or loss include any dividends or interest received by the financial assets.

(2) Impairment of Financial Assets

The Group recognizes and measures allowance losses based on expected credit losses for debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost. Debt instrument investments measured at fair value through other comprehensive income are recognized as allowance losses in other comprehensive income without reducing the carrying amount of the investment.

The Group measures the expected credit losses by reflecting the following methods:

- A. Determine the unbiased and probability weighted amount by evaluating various possible outcomes.
- B. Time value of money
- C. Reasonable and verifiable information related to past events, current conditions, and future economic forecasts (available at the balance sheet date without excessive cost or investment)

The method for measuring allowance losses is described below:

- A. Measured by the expected amount of credit loss in 12 months: including financial assets that have not significantly increased in credit risk since their original recognition, or that are judged to have low credit risk on the balance sheet date. In addition, it also includes the measurement of allowance losses based on the expected amount of credit losses during the previous reporting period, but no longer meets the conditions for a significant increase in

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

credit risk since the original recognition at the current balance sheet date.

- B. Measurement of expected credit loss amount during the existence period: including financial assets with significant increase in credit risk since the original recognition, or financial assets with credit impairment due to purchase or creation.
- C. For accounts receivable or contractual assets arising from transactions within the scope of IFRS 15, the Company measures the amount of expected credit losses during the period of existence as an allowance for losses.
- D. For lease receivables arising from transactions within the scope of IFRS 16, the Company uses the expected amount of credit loss during the period of existence to measure the allowance for losses.

On each balance sheet date, the Group assesses whether the credit risk of financial instruments has significantly increased after their original recognition by comparing the changes in default risk between the balance sheet date and the original recognition date. Please refer to Note 12 for further information related to credit risk.

(3) Derecognition of Financial Assets

The financial assets held by the Group shall be derecognized under any of the following circumstances:

- A. Termination of contractual rights arising from cash flows from financial assets.
- B. Transferred financial assets and transferred almost all risks and rewards of ownership of the assets to others.
- C. Almost all the risks and rewards of ownership of the asset have not been transferred or retained, but control over the asset has been transferred.

When a financial asset is derecognised as a whole, the difference between its carrying amount and the sum of the consideration received or receivable plus any cumulative benefits or losses recognized in other comprehensive income is recognized in profit or loss.

(4) Financial Liabilities and Equity Instruments

Classification as Debt or Equity

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

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities that meet the applicable scope of IFRS 9 are classified as financial liabilities measured at fair value through profit or loss or at amortized cost upon initial recognition.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss includes financial liabilities held for trading.

When one of the following conditions is met, it is classified as held for trading:

- A. The main purpose of acquisition is to sell in the short term;
- B. At the time of initial recognition, it is a part of the identifiable financial instrument portfolio under consolidated management, and there is evidence of recent operating patterns of short-term profit in the portfolio; or
- C. Derivative instruments (other than financial guarantee contracts or designated and effective hedging instruments).

For contracts containing one or more embedded derivatives, the entire hybrid (combined) contract can be designated as a financial liability measured at fair value through profit or loss. When one of the following factors is met and more relevant information can be provided, it should be designated as measured at fair value through profit or loss at initial recognition:

- A. The designation can eliminate or significantly reduce the inconsistency in measurement or recognition; or
- B. A group of financial liabilities or a group of financial assets and financial liabilities are managed and evaluated on a fair value basis according to a documented risk management or investment strategy, and the information about the investment portfolio provided to the

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management within the consolidated company is also based on fair value.

The benefits or losses arising from the remeasurement of such financial liabilities are recognized as profit or loss, and the gains or losses recognized as profit or loss include any interest paid on the financial liability.

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost, including accounts payable and borrowings, are measured using the effective interest rate method after initial recognition. When financial liabilities are derecognized and amortized using the effective interest rate method, their related gains and losses and amortization amounts are recognized in profit or loss.

The calculation of amortized costs takes into account the discount or premium at the time of acquisition and transaction costs.

Derecognition of financial liabilities

When the obligations of a financial liability are discharged, cancelled, or invalidated, the financial liability is derecognized.

When the Group exchanges debt instruments with significant differences in terms between creditors, or makes significant modifications to all or part of the terms of existing financial liabilities (whether due to financial difficulties or not), the difference between its book amount and the total amount of consideration paid or payable (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss when the original liabilities are derecognized and new liabilities are recognized.

(5) Offset of Financial Assets and Liabilities

Financial assets and financial liabilities can only be offset against each other and presented on the balance sheet at a net amount if the recognized amount currently has the legal exercise right to offset each other and is intended to be settled at a net amount or simultaneously realize the assets and settle the liabilities.

9. Derivative Instruments

The derivative instruments held or issued by the Group are used to avoid exchange rate risk and interest rate risk. Among them, designated and effective hedging financial assets or liabilities are reported as hedging on the balance sheet; The remaining non designated and effective hedging assets are reported on the balance sheet as financial assets or financial liabilities measured at fair value through profit or loss.

The original recognition of derivative instruments is measured at their fair value on the date of signing the derivative instrument contract, and subsequently measured at fair value. When the fair value of a derivative instrument is positive, it is a financial asset; When the fair value is negative, it is a financial liability. Changes in the fair value of derivative instruments are recognized directly in profit or loss, except where hedging is involved and is an effective portion, it is recognized under profit or loss or equity based on the type of hedging.

10. Measurement at Fair Value

Fair value refers to the price that can be charged or paid to transfer a certain liability during orderly transactions between market participants on the measurement date. Fair value measurement assumes that the transaction to sell assets or transfer liabilities occurs in one of the following markets:

- (1) The main market of the assets to liabilities or
- (2) If there is no main market, the most advantageous market for the asset or liability must be one that the company can enter for trading.

The fair value of assets or liabilities is measured using assumptions that market participants will use when pricing assets or liabilities, assuming that such market participants act in their best economic interests.

The fair value measurement of non-financial assets considers the ability of market participants to generate economic benefits by using the asset for its highest and best use or by selling the asset to another market participant who will use the asset for its highest and best use.

The Company adopts evaluation techniques that are appropriate and have sufficient information available under relevant circumstances to measure fair value, and to maximize the use of observable input values, and minimize the use of unobservable input values.

11. Inventories

Inventories are evaluated using the lower of cost and net realizable value compared item by item method

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Cost refers to the expenses incurred in bringing inventory to a saleable or producible condition and location:

Raw materials - valued at actual purchase cost, using the first-in, first-out (FIFO) method.

Finished goods and work-in-progress - includes direct materials, labor, and fixed manufacturing overhead allocated at normal capacity, but excludes borrowing costs.

Net realizable value refers to the balance of the estimated selling price minus the costs and selling expenses that must be invested until completion under normal circumstances.

The provision of labor services is handled in accordance with IFRS 15 and is not within the scope of inventory.

12. Investments Accounted for Using Equity Method

The Group's investments in affiliated enterprises are treated using the equity method, except for being classified as assets to be sold. "Affiliate" refers to a company that has significant influence on it. A joint venture refers to a company that has rights to the net assets of a joint agreement (with joint control).

Under the equity method, the accounting of investments in associated enterprises or joint ventures on the balance sheet is the amount recognized by the company in accordance with the shareholding ratio of the changes in the net assets of the associated enterprise or joint venture after acquisition at cost plus. After reducing the book amount and other related long-term equity of related enterprises or joint ventures to zero using the equity method, additional losses and liabilities are recognized to the extent that legal obligations, constructive obligations, or payments have been made on behalf of related enterprises. Unrealized gains and losses arising from transactions between the Company and related enterprises or joint ventures shall be written off in proportion to their equity interests in the related enterprises or joint ventures.

When changes in the equity of associated enterprises or joint ventures do not occur due to profit or loss or other comprehensive income items, and do not affect the Group's shareholding ratio, the company recognizes the relevant changes in ownership equity based on the shareholding ratio. Therefore, when the recognized capital reserve is subsequently disposed of as a related enterprise or joint venture, it is transferred to profit or loss in accordance with the proportion of disposal.

When an affiliated enterprise or joint venture issues new shares, if the Group fails to subscribe according to the shareholding ratio, resulting in a change in the investment ratio, which results in an increase or decrease in the Group's share of the net assets enjoyed by the affiliated enterprise or joint venture, the increase or decrease shall be adjusted based on the "capital reserve" and "investment using the equity method". When the investment ratio changes to a decrease, relevant items previously recognized in other comprehensive income will be reclassified to profit or loss or other appropriate accounts based on the decrease ratio. The capital reserve recognized as mentioned above shall be transferred to profit or loss in accordance with the proportion of disposal when subsequently disposing of affiliated enterprises or joint ventures.

The financial statements of affiliated enterprises or joint ventures are prepared during the same reporting period as the Group, and are adjusted to align their accounting policies with the Company's accounting policies.

At the end of each reporting period, our Group confirms whether there is objective evidence indicating impairment of investments in affiliated enterprises or joint ventures in accordance with IAS 28 "Investment in Affiliated Enterprises and Joint Ventures". If there is objective evidence of impairment, our Group calculates the impairment amount based on the difference between the recoverable amount and the book amount of affiliated enterprises or joint ventures in accordance with IAS 36 "Asset Impairment", and recognize this amount in the profits or losses of related enterprises or joint ventures. If the recoverable amount mentioned above adopts the use value of the investment, the Group will determine the relevant use value based on the following estimates:

- (1) The Group's share of the estimated present value of future cash flows generated by affiliated enterprises or joint ventures, including the cash flows generated from the operations of affiliated enterprises or joint ventures and the final disposal price of the investment; or
- (2) The estimated present value of future cash flows generated by the expected dividend collection and final disposal of the investment by our Group.

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Due to the fact that the goodwill component items that constitute the carrying amount of investment related enterprises or joint ventures have not been separately recognized, it is not necessary to apply the provisions of the goodwill impairment test in accordance IAS 36 "Asset Impairment".

In case of loss of significant influence on associated enterprises or joint control over joint ventures, the Group measures and recognizes the retained investment at fair value. In case of loss of significant influence or joint control, the difference between the book value of the investment associated enterprise or joint venture and the fair value of the retained investment plus the disposal price shall be recognized as profit or loss. In addition, when an investment in an affiliated enterprise becomes an investment in a joint venture, or when an investment in a joint venture becomes an investment in an affiliated enterprise, the Group continues to apply the equity method without remeasuring retained equity.

13. Property, Plant and Equipment

Property, plant, and equipment are recognized on the basis of acquisition cost after deducting accumulated depreciation and impairment. The aforementioned costs include the cost of dismantling, removing, and restoring the location of the property, plant, and equipment, as well as necessary interest expenses incurred due to unfinished projects. If the composition of property, plant and equipment is significant, depreciation shall be separately recognized. When significant components of property, plant, and equipment require regular replacement, the Company considers the item as an individual asset and recognizes it separately based on specific useful lives and depreciation methods. The book value of the portion that has been reset shall be derecognized in accordance with the provisions of IAS 16 "Property, Plant and Equipment". If major maintenance costs meet the recognition criteria, they are recognized as replacement costs, and are recognized as part of the carrying amount of plant and equipment. Other repair and maintenance expenses are recognized in profit or loss.

The depreciation is computed using the straight-line method mainly over the following estimated useful lives:

Buildings	10~60 years
Machinery and Equipment	3~10 years
Shipping Equipment	2~8 years
Office Equipment	2~5 years
Other Equipments	2~20 years

If an item or any significant component of property, plant and equipment is disposed of or is not expected to have economic benefits flowing in due to use or disposal after its original recognition, it shall be derecognized and recognized in profit or loss.

The residual value, useful life, and depreciation method of property, plant and equipment are evaluated at the end of each financial year. If the expected value is different from previous estimates, the change is considered a change in accounting estimates.

14. Leases

Our Group evaluates whether the contract is a (or includes) lease based on its establishment date. If a contract transfers control over the use of identified assets for a period of time in exchange for consideration, the contract is (or includes) a lease. To evaluate whether the contract transfers control over the use of identified assets for a period of time, our Group assesses whether there are both of the following during the entire use period:

- (1) The right to obtain almost all economic benefits from the use of identified assets; and
- (2) The right to dominate the use of identified assets.

For contracts that belong to (or include) leasing, our Group will treat each leasing component in the contract as a separate lease and treat it separately from the non-leasing components in the contract. For contracts that include one leasing component and one or more additional leasing or non-leasing components, our Group allocates the consideration in the contract to the leasing component based on the relative individual prices of each leasing component and the aggregated individual prices of non-leasing components. The relative separate prices of leased and non-leased components shall be determined based on the prices charged by the lessor (or similar supplier) separately for that component (or similar component). If the observable individual price is not readily available, our Group maximizes the use of observable information to estimate the individual price.

Group as Lessee

Except for short-term leases or leases with low value underlying assets that comply with the merger,

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when the Group is the lessee of the lease agreement, all leases are recognized as right-of-use assets and lease liabilities.

Our Group measures the lease liability at the present value of the unpaid lease payments on the commencement date. If the implicit interest rate of the lease is easily determined, the lease payments are discounted using that interest rate. If the interest rate is not easily determined, use the lessee's incremental borrowing rate. On the commencement date, lease payments recognized as lease liabilities include the following payments related to the right to use the underlying asset during the lease term that have not yet been paid on that date:

- (1) Fixed benefits (including substantial fixed benefits), excluding any lease incentives that can be collected;
- (2) Lease payments based on changes in a certain index or rate (measured using the original index or rate from the start date);
- (3) The expected amount to be paid by the lessee under the residual value guarantee;
- (4) The exercise price of the purchase option, if the Company can reasonably determine that the option will be exercised; and
- (5) If the lease term reflects that the lessee will exercise the option to terminate the lease, the penalty to be paid for the termination of the lease shall be paid.

After the commencement date, the Group measures lease liabilities on an amortized cost basis and increases the carrying amount of lease liabilities using the effective interest rate method to reflect the interest on lease liabilities; The payment of lease benefits reduces the carrying amount of lease liabilities.

On the commencement date, our Group measures the use rights assets at cost, and the cost of right-of-use assets includes:

- (1) The original measured amount of lease liabilities;
- (2) Any lease payments made on or before the commencement date, less any lease incentives received;
- (3) Any original direct costs incurred by the lessee; and
- (4) The estimated cost for the lessee to dismantle, remove, and restore the underlying assets to their location or restore the underlying assets to the state required by the terms and conditions of the lease.

The subsequent measurement of right-of-use assets is presented at cost minus accumulated depreciation and accumulated impairment losses, that is, using the cost model to measure right-of-use assets.

If the ownership of the underlying asset is transferred to the Group at the expiration of the lease term, or if the cost of the right-of-use asset reflects that the Group will exercise the purchase option, the right-of-use asset shall be depreciated from the start date to the expiration of the service life of the underlying asset. Otherwise, the Group shall depreciate the right to use assets from the start date until the expiration of their useful life or the lease term, whichever is earlier.

Our Group applies IAS 36 "Asset Impairment" to determine whether the right of use assets have been impaired and to handle any identified impairment losses.

Except for short-term leases or leases of assets with low value that meet the merger criteria, the company reports the right-of-use assets and lease liabilities on the balance sheet, and separately reports depreciation and interest expenses related to leases on the comprehensive income statement. Our Group chooses to recognize the lease payments related to short-term leases and low value underlying assets as expenses during the lease term on a straight-line basis or another systematic basis.

Company as Lessor

Our Company classifies each lease as an operating lease or a financing lease on the establishment date of the contract. Leases are classified as finance leases if they transfer almost all the risks and rewards attached to the ownership of the underlying assets; If not transferred, it is classified as an operating lease.

Our company recognizes lease payments from operating leases as rental income on a straight-line basis or another systematic basis. Rental payments under operating leases that are not dependent on a certain index or rate are recognized as rental income at the time of occurrence.

15. Intangible Assets

Intangible assets obtained separately are measured at cost when initially recognized. After the initial recognition of intangible assets, the carrying amount is the amount of their cost less accumulated

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amortization and accumulated impairment losses. Internally generated intangible assets that do not meet the recognition criteria are not capitalized and are recognized in profit or loss at the time of occurrence.

The durability period of intangible assets is divided into limited and uncertain durability periods.

Intangible assets with limited lifespan are amortized over their lifespan and tested for impairment when there are signs of impairment. The amortization period and method of intangible assets with limited lifespan are reviewed at least at the end of each financial year. If the estimated useful life of an asset differs from previous estimates or if the expected pattern of future economic benefits consumption has changed, the amortization method or amortization period will be adjusted and considered as a change in accounting estimates.

Intangible assets with uncertain useful lives are not amortized but impairment tests are conducted at the individual asset or cash generating unit level each year. Intangible assets with a non-determinable lifespan are still non-determinable based on whether there are events and circumstances that continue to support the asset's lifespan during each evaluation period. If the durability period is changed from uncertain to limited, the extension shall apply.

The gains or losses arising from the delisting of intangible assets are recognized in profit or loss.

Patent Right

The patent rights have been granted by relevant government agencies for a period of 10 to 20 years.

Other Intangible Assets

The cost of other intangible assets is amortized using the straight-line method over their estimated useful life (five years).

The accounting policies for intangible assets of our Group are summarized as follows:

	<u>Patent Right</u>	<u>Other Intangible Assets</u>
Durability Period	Finite	Limited
Amortization Method	Amortization on a straight-line basis	Amortized on a straight-line basis over
Used	during the patent period	the estimated useful life
Internal or External Acquisition	External Acquisition	External Acquisition

16. Impairment of Non-Financial Assets

On the end of each reporting period, our Group assesses whether there are any signs of impairment in all assets that are subject to IAS 36 "Asset Impairment". If there are signs of impairment or regular impairment testing is required for a certain asset every year, the Group will conduct testing based on the individual asset or the cash generating unit to which the asset belongs. If the impairment test results show that the carrying amount of the asset or the cash generating unit to which the asset belongs is greater than its recoverable amount, the impairment loss is recognized. The recoverable amount is the higher of the net fair value or value in use.

At the end of each reporting period, our Group assesses whether there are any signs that the previously recognized impairment losses may no longer exist or have decreased for assets other than goodwill. If there are such signs, the Group estimates the recoverable amount of the asset or cash generating unit. If the recoverable amount increases due to changes in the estimated service potential of the asset, the impairment is reversed. However, if the book amount after reversal does not exceed the book amount after deducting the depreciation or amortization, that should be recognized for the asset without recognizing impairment losses.

The impairment losses and reversals of continuing business units are recognized in profit or loss.

17. Revenue Recognition

The revenue from contracts between our Group and customers mainly includes the sale of goods and the provision of labor services, and the accounting treatment is explained as follows:

Sales of Goods

The Group manufactures and sells goods, and recognizes revenue when the promised goods are delivered to the client and the customer obtains control (that is, the customer's ability to dominate the use of the goods and obtain almost all the remaining benefits of the goods). The main goods are power lines, wire plug sets and their components, and the revenue is recognized based on the price stated in the contract. However, some contracts are recognized as contractual liabilities as the company assumes the obligation to provide performance in the future due to the fact that a portion of the consideration is collected from the customer at the time of signing the contract. The period during which the aforementioned contractual liabilities of our Group are recognized as revenue

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usually does not exceed one year and does not result in the generation of significant financial components.

The warranty provided by our Group is based on the guarantee that the products provided will operate as expected by the customer, and is handled in accordance with the provisions of IAS 37.

The credit period for our Group's sales of goods transactions is 90 to 120 days. When the contract transfers control of the goods and has the unconditional right to receive consideration, accounts receivables are recognized. These accounts receivable are usually short-term and do not have a significant financial component.

18. Borrowing Cost

The borrowing costs directly attributable to the acquisition, construction, or production of assets that meet the requirements are capitalized as a part of the cost of the asset. All other borrowing costs are recognized as expenses during the period of occurrence. Borrowing costs include interest and other costs incurred in connection with borrowing funds.

19. Post-Employment Benefits Plan

Our company's post-employment policy applies to all formally appointed employees. The post-employment fund is fully deposited into the Labor Retirement Reserve Supervision Committee for management and is deposited into a special post-employment fund account. As the above-mentioned pension is deposited in the name of the Retirement Reserve Supervision Committee and is completely separated from our company, it is not included in the consolidated financial statements of the Company.

For the post-employment benefits plan that belongs to the defined contribution plan, the monthly allocation rate of employee pension borne by the Company shall not be less than 6% of the employee's monthly salary, and the amount allocated shall be recognized as current expenses; Foreign subsidiaries and branches are allocated and recognized as current expenses in accordance with local specific ratios.

For post-employment benefits plan that are determined as defined benefit plans, they are presented in actuarial reports at the end of the annual reporting period in accordance with the Expected Unit Benefits Act. The remeasurement of net defined benefit liabilities (assets) includes any changes in planned asset returns and the impact of asset caps, minus the amount included in net interest on net defined benefit liabilities (assets) and actuarial gains and losses. The remeasurement amount of net defined benefit liabilities (assets) shall be included in other comprehensive income when it occurs, and shall be immediately recognized as retained earnings. The upfront service cost is the change in the present value of the defined benefit obligation resulting from the modification or reduction of the plan, and is recognized as an expense on the earlier of the following dates:

- (1) When a plan revision or reduction occurs; and
- (2) When the company recognizes relevant restructuring costs or termination benefits.

The net interest of the net determined benefit liability (asset) is determined by multiplying the net determined benefit liability (asset) by the discount rate, both of which are determined at the beginning of the annual reporting period, and then consider any change in the net determined benefit liability (asset) due to the provision and benefit payment during that period.

20. Income Tax

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

Current Tax

Current income tax liabilities (assets) related to the current period and previous periods are measured by the tax rates and tax laws that have been enacted or substantively enacted on the end of the reporting period. Current income tax related to items recognized in other comprehensive income or directly recognized in equity is recognized in other comprehensive income or equity instead of profit or loss.

The portion of undistributed earnings plus profit seeking enterprise income tax shall be included as income tax expense on the date when the shareholders' meeting resolves to distribute the earnings.

Deferred Tax

Deferred income tax is calculated on the temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet at the end of the reporting period.

Except for the following two, all taxable temporary differences are recognized as deferred income tax liabilities:

- (1) Original recognition of goodwill; Or assets or liabilities that are not generated by a business

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merger transaction and do not affect accounting profits or taxable income (losses) at the time of the transaction, and the original recognition;

- (2) Taxable temporary differences arising from investments in subsidiaries, affiliated enterprises, and joint agreement interests that can be controlled at the time of reversal and are likely not to reverse in the foreseeable future.

In addition to the following two, the deferred income tax assets generated by deductible temporary differences, unused tax losses and unused income tax credits, are recognized within the range of probable future taxable income:

- (1) Related to deductible temporary differences arising from the original recognition of assets or liabilities that are not part of a business merger transaction and do not affect accounting profits or taxable income (losses) at the time of the transaction;
- (2) The deductible temporary differences arising from investments in subsidiaries, affiliated enterprises, and joint venture agreements are only recognized to the extent that they are likely to be reversed in the foreseeable future and there is sufficient taxable income available for the use of the temporary differences at the time of reversal.

Deferred income tax assets and liabilities are measured at the tax rate of the current period when the expected assets are realized or liabilities are settled. The tax rate is also based on the tax rate and tax law that have been enacted or substantively enacted at the end of the reporting period. The measurement of deferred income tax assets and liabilities is to reflect the tax consequences arising from the way of expected recovery of assets or settlement of the book amount of liabilities at the end of the reporting period. Deferred income tax related to items not included in profit or loss is also not recognized in profit or loss but is recognized in other comprehensive income or directly recognized in equity according to its related transactions. Deferred income tax assets shall be re-examined and recognized at the end of each reporting period.

Deferred income tax assets and liabilities can be offset only when the offset between current income tax assets and current income tax liabilities is legally enforceable, and the deferred income tax belongs to the same tax payer and is related to the income tax levied by the same tax authority.

5. **CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY**

When the Group prepares consolidated financial statements, the management shall make judgments, estimates and assumptions at the end of the reporting period, which will affect the disclosure of income, expenses, reported amount of assets and liabilities and contingent liabilities. However, the uncertainty of these major assumptions and estimates may lead to the result that the carrying amount of assets or liabilities must be significantly adjusted in the future.

Estimates and Assumptions

The main source information of the uncertainty of future estimates and assumptions made at the end of the reporting period has a significant risk of causing significant adjustments in the book amounts of assets and liabilities in the next financial year. Hereby explained as follows:

1. Financial Instruments at Fair Value

When the fair value of financial assets and financial liabilities recognized on the balance sheet cannot be obtained from the active market, the fair value will be determined using valuation techniques, including the income method (such as the discounted cash flow model) or the market method. The changes in assumptions used in these models will affect the fair value of the reported financial instruments. Please refer to Note 12 for details.

2. Post-Employment Benefits Plan

The cost of post-employment benefits and the present value of defined benefit obligations in post-employment benefits plans depend on actuarial evaluation. Actuarial evaluation involves various assumptions, including changes in discount rate and expected salary.

3. Income Tax

The uncertainty of income tax lies in the interpretation of complex tax laws and regulations, and the amount and time point of future taxable income. Due to the long-term and complex nature of extensive international business relations and contracts, the difference between the actual results and the false assumptions, or the change of such assumptions in the future, may force the recorded income tax benefits and expenses to be adjusted in the future. The provision of income tax is a reasonable estimate based on the possible audit results of the tax authorities in the countries where the Group operates. The amounts listed are based on different factors, such as past tax audit experience and

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differences in the interpretation of tax regulations between the tax subject and the tax authority they belong to. The differences in this explanation may arise from various issues due to the location of individual companies within the company.

Unused tax losses, income tax deduction and deductible temporary differences are recognized as deferred income tax assets to the extent that taxable income or taxable temporary differences are likely to arise in the future. The determination of the recognized amount of deferred income tax assets is based on the time point and level at which future taxable income and taxable temporary differences may occur and the future tax planning strategy.

4. Account Receivables – Estimation of Impairment Losses

The estimation of impairment losses on our Group's accounts receivable is based on the estimated amount of credit losses during the existence period. The present value of the difference between the contractual cash flow (book amount) that can be received and the expected cash flow received (estimated forward-looking information) will be used as the credit loss. However, the discount effect of short-term accounts receivable is not significant, and the credit loss will be measured as the undiscounted difference. If the actual cash flow in the future is less than expected, there may be significant impairment losses. Please refer to Note 6.19 for details.

6. EXPLANATIONS OF CRITICAL ACCOUNTING ITEMS

1. Cash and Cash Equivalents

	2025.12.31	2024.12.31
Cash on hand	\$647	\$1,198
Cash in banks	1,677,644	1,774,305
Certificate deposits	36,032	228,284
Cash equivalents	17,628	17,795
Total	<u>\$1,731,951</u>	<u>\$2,021,582</u>

The above cash equivalents are investments in debts with put options. The interest rates as of December 31, 2025 and 2024 are 4.15% and 4.05%, respectively.

2. Current Financial Assets Measured at Fair Value Through Profit or Loss

	2025.12.31	2024.12.31
Mandatory measurement at fair value through profit or loss:		
Guaranteed Financial Products	\$-	\$202,067
Forward exchange for interest transactions	11,592	6,978
Limited Partner	18,563	
Stock of Emerging market	13,795	-
Total	<u>\$43,950</u>	<u>\$209,045</u>
Currenet	\$25,387	\$209,045
Noncurrent	18,563	-
Total	<u>\$43,950</u>	<u>\$209,045</u>

The Group's financial assets measured at fair value through profit or loss have not provided security.

3. Financial Assets Measured at Fair Value Through Other Comprehensive Income

	2025.12.31	2024.12.31
Noncurrent Financial Assets Measured at Fair Value Through Comprehensive Income		
Stock of Emerging market	\$29,700	\$29,700
Public offering of company stocks	-	-
Stock of unlisted companies	186,986	186,986
Subtotal (total book amount)	<u>216,686</u>	<u>216,686</u>

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Adjustments of change in value	176,770	194,533
Total	<u>\$393,456</u>	<u>\$411,219</u>

The Group's financial assets measured at fair value through other comprehensive income have not provided security.

The dividend income recognized for the investment in equity instruments of financial assets measured at fair value through other comprehensive income held by Group in 2024 and 2023 was NT\$12,074 thousands and NT\$16,670 thousands respectively.

4. Financial Assets Measured at Amortized Cost

	2025.12.31	2024.12.31
Certificate deposits of more than 3 months	\$1,248,775	\$1,136,710
Certificate deposits - pledged	1,934	214,308
Subtotal (total book amount)	1,250,709	1,351,018
Less: Allowance for losses	-	-
Total	<u>\$1,250,709</u>	<u>\$1,351,018</u>

The Group classifies some financial assets as financial assets measured at amortized cost. Please refer to Note 6.17 for information on allowance for losses, note 8 for information on provision of guarantees, and Note 12 for information on credit risk.

5. Notes Receivable

	2025.12.31	2024.12.31
Notes receivables arising from operating activities	\$147,385	\$106,530
Less: Allowance for losses	-	-
Total	<u>\$147,385</u>	<u>\$106,530</u>

As of December 31, 2025 and 2024, the amounts of notes receivables discounted with recourse were \$5,358 thousand and \$0 thousand. Please refer to Note 6.12 for information on relevant loans. Please refer to Note 8 for guarantees provided.

Please refer to 6.17 for information related to impairment and allowance losses assessed by the Group in accordance with IFRS No. 9, and please refer to Note 12 for information related to credit risk.

6. Accounts Receivable

	2025.12.31	2024.12.31
Accounts Receivable	\$2,377,108	\$2,062,936
Less: Allowance for losses	(27)	(14,858)
Subtotal	2,377,081	2,048,078
Accounts Receivable – Related Parties	-	-
Less: Allowance for losses	-	-
Subtotal	-	-
Total	<u>2,377,081</u>	<u>2,048,078</u>

There is no guarantee provided for the accounts receivable of our Group.

The credit period for our Group's customers is usually 30 to 120 days. The total book value of the Group as of December 31st, 2025 and 2024 was NT\$ 2,377,108 thousand and NT\$2,062,936 thousand, respectively. See Note 6.17 for information on allowance losses, and please refer to Note 12 for information related to credit risk.

Please refer to Note 12 for information regarding the Group's accounts receivable transfer transactions.

7. Inventory

2025.12.31	2024.12.31
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Raw Material	\$305,105	\$291,161
Work in process	2,877	846
Semi-finished goods	101,405	111,145
Finished goods	275,465	244,372
Net amount	<u>\$684,852</u>	<u>\$647,524</u>

- (1) The details of inventory related expenses and losses recognized by our Group in 2025 and 2024 are as follows:

	2025	2024
Cost of inventory sold	\$6,374,339	\$6,241,690
Inventory falling price loss	-	-
Income from selling leftovers and waste materials	(48,299)	(4,018)
Unallocated fixed manufacturing costs due to low production capacity	(5,966)	15,813
Operating cost	<u>\$6,320,074</u>	<u>\$6,253,485</u>

There is no guarantee provided for the above inventory.

8. Investments Accounted for Using the Equity Method

The investment details of the equity method adopted by the Group are as follows:

Investee	2025.12.31		2024.12.31	
	Amount	Shareholding Ratio	Amount	Shareholding Ratio
Investment in affiliated enterprises:				
I-SHENG COMPANY (BRASIL)	\$221,293	30.67%	\$220,153	30.67%
ADMIRAL GLOBAL LTD(HK)	513,262	36.374%	560,831	44.83%
Total	<u>734,555</u>		<u>760,753</u>	

Note 1: The subsidiary, ADMIRAL GLOBAL LTD(HK) implemented cash capital increase of 9,000,000 shares. As the Company did not subscribe in proportion to percentage of ownership, the percentage of ownership decreased from 44.83% to 36.374%.

- (1) Information on significant associates are as follows:

Company name: ADMIRAL GLOBAL(HK)

Main operating location (country of registration): Hong Kong

Summarized financial information and reconciliation of the carrying amount of the investment are as follows:

	2025.12.31	2024.12.31
Total assets	\$1,488,614	\$1,251,013
Total liabilities	77,547	-
Equity	1,411,067	1,251,013
Percentage of ownership by the Group	36.374%	44.830%
Carrying amount of investment	<u>\$513,262</u>	<u>\$560,831</u>
	2025	2024
Net (loss) from continuing operation for the current period	\$(30,787)	\$(11,591)
Other comprehensive income for the period (net of tax)	(16,782)	10,234
Total comprehensive income for the period	<u>\$(47,569)</u>	<u>\$(1,357)</u>

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- (2) The investment of the Group in affiliated enterprises is not significant to the Group. The consolidated financial information of the Group's investment in affiliated enterprises is presented in total based on their respective shares as follows:

	2025	2024
Current net profit of continuing operating units	\$24,226	\$34,428
Other comprehensive income of the year (net of tax)	2,012	(39,560)
Total comprehensive income of the year	<u>\$26,238</u>	<u>\$(5,132)</u>

As of December 31st, 2025 and 2024, the aforesaid investment related enterprises had no contingent liabilities or capital commitments, nor had they provided guarantees.

9. Property, Plant and Equipment

	Land	Building and Structures	Machinery and Equipment	Shipping Equipments	Office Equipments	Other Equipments	Unfinished construction and equipments pending acceptance	Total
<u>Cost :</u>								
2025.1.1	\$144,634	\$850,121	\$1,241,111	\$11,858	\$8,635	\$197,612	\$16,017	\$2,469,988
Addition	-	-	46,268	672	417	6,867	1,237	55,461
Disposal	-	-	(6,078)	(89)	-	(2,682)	-	(8,849)
Other changes	-	-	17,619	-	(37)-	(3,436)	(14,146)	-
The impact of exchange rate fluctuations	-	(20,811)	2,411	(244)	(377)	(1,410)	(1,862)	(22,293)
2025.12.31	<u>\$144,634</u>	<u>\$829,310</u>	<u>\$1,301,331</u>	<u>\$12,197</u>	<u>\$8,638</u>	<u>\$196,951</u>	<u>\$1,246</u>	<u>\$2,494,307</u>
2024.1.1	\$192,726	\$835,329	\$1,208,266	\$11,816	\$7,900	\$195,035	\$256,627	\$2,712,192
Addition	-	338	35,693	-	631	14,615	-	51,277
Disposal	-	(51)	(25,693)	(209)	-	(16,803)	-	(42,756)
Derecognition of subsidiaries	(55,525)	-	-	-	-	-	(254,064)	(309,589)
Other changes	-	-	(82)	(11)	-	93	-	-
The impact of exchange rate fluctuations	2,940	14,505	22,927	211	104	4,723	13,454	58,864
2024.12.31	<u>\$144,634</u>	<u>\$850,121</u>	<u>\$1,241,111</u>	<u>\$11,858</u>	<u>\$8,635</u>	<u>\$197,612</u>	<u>\$16,017</u>	<u>\$2,469,988</u>
<u>Depreciation and Impairment:</u>								
2025.1.1	\$-	\$540,344	\$977,741	\$10,914	\$5,495	\$162,985	\$-	\$1,697,479
Depreciation	-	23,307	51,973	445	604	11,604	-	87,933
Disposal	-	-	(5,758)	(84)	-	(471)	-	(6,313)
Other changes	-	-	-	-	-	-	-	-
The impact of exchange rate fluctuations	-	(3,151)	10,810	(206)	(173)	(389)	-	6,891
2025.12.31	<u>\$-</u>	<u>\$560,500</u>	<u>\$1,034,766</u>	<u>\$11,069</u>	<u>\$5,926</u>	<u>\$173,729</u>	<u>\$-</u>	<u>\$1,785,990</u>
2024.1.1	\$-	\$502,803	\$922,745	\$10,117	\$4,861	\$163,088	\$-	\$1,603,614
Depreciation	-	25,396	57,928	774	543	12,348	-	96,989
Disposal	-	(46)	(22,673)	(209)	-	(16,572)	-	(39,500)
Other changes	-	-	-	-	-	-	-	-
The impact of exchange rate	-	12,191	19,741	232	91	4,121	-	36,376

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	Land	Building and Structures	Machinery and Equipment	Shipping Equipments	Office Equipments	Other Equipments	Unfinished construction and equipments pending acceptance	Total
fluctuations								
2024.12.31	\$-	\$540,344	\$977,741	\$10,914	\$5,495	\$162,985	\$-	\$1,697,479
Net Book Amount:								
2024.12.31	\$144,634	\$268,810	\$266,565	\$1,128	\$2,712	\$23,222	\$1,246	\$708,317
2023.12.31	\$144,634	\$309,777	\$263,370	\$944	\$3,140	\$34,627	\$16,017	\$772,509

(1) Please refer to Note 8 for details on the provision of guarantees and mortgages for property, plant and equipment.

(2) There were no cases of interest capitalization in the years 2025 and 2024 of the Republic of China.

10. Intangible Assets

	Patent Right	Other Intangible Assets	Total
Cost:			
2025.1.1	\$23,426	\$30,798	\$54,224
Redistribution	-	139	139
Other changes	-	(894)	(894)
The impact of exchange rate fluctuations	-	(110)	(110)
2025.12.31	\$23,426	29,933	53,359
2024.1.1	\$23,426	\$30,667	\$54,093
Redistribution	-	131	131
Additions of the year	-	-	-
The impact of exchange rate fluctuations	-	-	-
2024.12.31	\$23,426	\$30,798	\$54,224
Amortization and Impairment :			
2025.1.1	\$23,426	\$29,785	\$53,211
Amortization	-	562	562
Other changes	-	(894)	(894)
The impact of exchange rate fluctuations	-	(99)	(99)
2025.12.31	\$23,426	\$29,354	\$52,780
2024.1.1	\$22,534	\$29,151	\$51,685
Amortization	892	634	1,526
Other changes	-	-	-
The impact of exchange rate fluctuations	\$23,426	\$29,785	\$53,211
2024.12.31	\$22,534	\$29,151	\$51,685
Net Book Amount:			
2024.12.31	\$-	\$579	\$579
2023.12.31	\$-	\$1,013	\$1,013

The amortization amount recognized for intangible assets is as follows:

	2025	2024
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Operating cost	\$-	\$-
Operating expense	562	1,526
Total	<u>\$562</u>	<u>\$1,526</u>

11. Other noncurrent assets

	2025.12.31	2024.12.31
Prepayment for equipment	\$4,780	\$5,211
Accrued pension liabilities	15,795	29,478
Refundable deposits	1,998	-
Prepayment for investment	-	12,840
Other noncurrent assets - other	13,435	15,507
Total	<u>\$36,008</u>	<u>\$63,036</u>

12. Short-Term Borrowings

	Interest Rate Range (%)	2025.12.31	2024.12.31
Unsecured bank loans	1.810%~1.820%	\$1,350,000	\$1,350,000
Secured bank loans	1.800%~1.810%	270,000	350,000
Notes Receivable Discounting	0.670%~0.900%	5,358	-
Total		<u>\$1,625,358</u>	<u>\$1,700,000</u>

- (1) As of December 31st, 2025 and 2024, the Group's unused short-term borrowing lines were approximately NT\$1,990,400 thousands and NT\$2,303,040 respectively.
- (2) The guaranteed bank loans are provided as collateral for certain property, plant, and equipment, as well as financial assets measured at amortized cost. Please refer to Note 8 for details of the guarantee situation.

13. Other Payables

	2025.12.31	2024.12.31
Accrued expenses	\$183,454	\$189,672
Other Payables - other	48,130	30,044
Total	<u>\$231,584</u>	<u>\$219,716</u>

14. Post-Employment Benefit Plans

Defined Contribution Plan

The post-employment benefits plan established by our Company in accordance with the Labor Pension Regulations is a fixed allocation plan. According to the regulations, the monthly allocation rate of labor pension borne by the Company shall not be less than 6% of the employee's monthly salary. The Company has already disbursed 6% of the employee's salary to the individual pension account of the Labor Insurance Bureau every month in accordance with the post-employment policy stipulated in this regulation.

Subsidiaries located in mainland China shall, in accordance with the laws and regulations of the local government, allocate a certain proportion of their employees' total salary as pension insurance funds, pay them to relevant government departments, and deposit them into separate accounts for each employee.

Other foreign subsidiaries of the Group allocate post-employment benefits to relevant pension management enterprises in accordance with local laws and regulations.

The expenses recognized for the designated allocation plans of our group in 2025 and 2024 were NT\$ 3,407 thousand and NT\$ 3,367 thousand, respectively.

Defined Benefit Plans

The employee pension system established by our Company in accordance with the Labor Standards

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Law is a defined benefit plan, and the payment of employee pension is calculated based on the base of service years and the average monthly salary approved for post-employment. Within fifteen years (inclusive) of service experience, two base numbers will be given for each year of service experience. Over fifteen years of service experience, one base number will be given for each year of service experience but the maximum cumulative base number is 45. Our Company allocates a pension fund of 3% of the total salary on a monthly basis in accordance with the Labor Standards Law, and deposits it in a special account of the Taiwan Bank under the name of the Labor Retirement Reserve Supervision Committee. In addition, before the end of each fiscal year, our Company estimates the balance of the aforementioned labor retirement reserve account. If the balance is insufficient to pay the estimated post-employment pension amount for workers who meet the post-employment conditions in the following fiscal year, the difference will be allocated before the end of March of the following fiscal year.

The Ministry of Labor shall allocate assets in accordance with the rules for the custody and application of labor pension funds. The investment of the funds shall be carried out by means of self-operation and entrusted operation, and the long-term investment strategies of active and passive management shall be adopted. In consideration of market, credit, liquidity and other risks, the Ministry of Labor has set the fund risk limit and control plan to make it flexible enough to reach the target reward without taking excessive risks. The minimum income allocated for the use of this fund in the annual final settlement shall not be lower than the income calculated based on the two-year certificate deposit of the local bank. If there is any shortfall, it shall be supplemented by the national treasury with the approval of the competent authority. As the Company has no right to participate in the operation and management of the fund, it is unable to disclose the classification of the fair value of the planned assets in accordance with paragraph 142 of IAS 19. As of December 31st, 2025, the Company's defined benefit plan is expected to allocate NT\$418 thousand in the next year.

As of December 31st, 2025 and 2024, the Company's defined benefit plans are expected to expire in 2033 and 2032, respectively.

The following table summarizes the costs recognized in profit or loss for defined benefit plans:

	2025	2024
Current service costs	\$456	\$453
Net interest of defined benefit liability (asset)	(481)	(340)
Total	<u>\$ (25)</u>	<u>\$ 113</u>

The adjustments of defined benefit obligation and plan assets at fair value are as follow:

	2025.12.31	2024.12.31	2024.1.1
Defined benefit obligation	\$57,564	\$38,308	\$34,806
Plan assets at fair value	<u>(73,359)</u>	<u>(67,786)</u>	<u>(60,409)</u>
Other noncurrent liabilities – net defined benefit liability	<u>\$ (15,795)</u>	<u>\$ (29,478)</u>	<u>\$ (25,603)</u>

Net defined benefit adjustment:

	Defined Benefit Obligation	Plan Assets at Fair Value	Net Defined Benefit Liability (asset)
2024.1.1	\$34,806	\$(60,409)	\$(25,603)
Current service costs	453	-	453
Interest expense(revenue)	453	(793)	(340)
Subtotal	906	(793)	113
Actuarial gain/loss due to change in financial assumptions	2,049	(5,384)	(3,335)
Gain/loss due to experience adjustments	547	-	547
Re-measurement on defined benefit assets:	-	-	-
Subtotal	2,596	(5,384)	(2,788)
Benefits paid	-	-	-
Contribution by employer	-	(1,200)	(1,200)
2023.12.31	<u>\$38,308</u>	<u>\$(67,786)</u>	<u>\$(29,478)</u>

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Current period service costs	456	-	456
Interest expense(revenue)	613	(1,094)	(481)
Subtotal	1,069	(1,094)	(25)
Actuarial gain/loss due to change in financial assumptions	1,385	(4,649)	(3,264)
Gain/loss due to experience adjustments	17,390	-	17,390
Re-measurement on defined benefit assets:	-	-	-
Subtotal	18,775	(4,649)	14,126
Benefits paid	(588)	588	-
Contribution by employer	-	(418)	(418)
2024.12.31	<u>\$57,564</u>	<u>(73,359)</u>	<u>\$(15,795)</u>

The following main assumptions are used to determine the Company's defined benefit plans:

	2025	2024
Discount rate	1.3000%	1.6000%
Expected rate of salary increases	3.0000%	3.0000%

Sensitivity analysis of each major actuarial assumption:

	2025		2024	
	Increase of Defined Benefit Obligation	Decrease of Defined Benefit Obligation	Increase of Defined Benefit Obligation	Decrease of Defined Benefit Obligation
Discount rate increased by 0.25%	\$-	\$1,180	\$-	\$823
Discount rate decreased by 0.25%	1,215	-	848	-
Expected rate of salary increased by 0.25%	1,163	-	814	-
Expected rate of salary decreased by 0.25%	-	1,136	-	794

The above sensitivity analysis is conducted on the assumption that other assumptions remain unchanged, and the possible impact of determining benefit obligations is analyzed when a single actuarial assumption (such as discount rate or expected salary) changes reasonably. Due to the interdependence of some actuarial assumptions, in practice, there are very few changes in only a single actuarial assumption, so this analysis has its limitations.

The methods and assumptions used in this sensitivity analysis are the same from those in the previous period.

15. Equity

(1) Common Stock

As of December 31st, 2025 and 2024, the authorized share capital of the Company was NT\$2,000,000 thousand, the issued share capital was NT\$1,876,662 thousand, and the par value of each share was NT\$10, all of which were 187,662 shares. Each share has one voting right and the right to receive dividends.

(2) Capital Surplus

	2025.12.31	2024.12.31
Additional paid-in capital	\$772,657	\$772,657
Changes in the net equity value of affiliated enterprises and joint ventures accounted for using the equity method	4,651	4,651
Consolidated excess	114,224	114,224
Share option	42	42
Receiving gifts	1,002	1,002
Other	<u>38,272</u>	<u>38,272</u>

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Total	<u>\$930,848</u>	<u>\$930,848</u>
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According to laws and regulations, the capital reserve shall not be used except to cover the Company's losses. When the company has no losses, the capital reserve generated from the issuance of shares exceeding the par value and the receipt of gifts may be capitalized at a certain ratio of the paid up capital each year. The aforementioned capital reserve may also be distributed in cash according to the proportion of the original shares of shareholders.

(3) Retained Earnings and Dividend Policy

According to the articles of association of this company, if there is any surplus in the annual accounts, it shall be distributed in the following order:

If there is a net profit after tax for the current period in the annual accounts of the Company, we should first make up for the losses of previous years (including adjusting the undistributed surplus amount), and allocate 10% as the legal reserve. However, this restriction is not applicable when the legal reserve has reached the total capital. And allocate or convert special surplus reserves in accordance with laws and regulations or regulations of the competent authority. If there is still surplus and the undistributed surplus at the beginning of the same period (including adjusting the amount of undistributed surplus) is the accumulated distributable surplus of shareholders, the board of directors shall prepare a surplus distribution plan at a rate not less than 5% of the distributable surplus and submit it to the shareholders' meeting for resolution on distribution. In addition, due to the changing industrial environment in which our company operates, in order to consider our long-term financial planning and meet the cash inflow needs of shareholders, the annual distribution of cash dividends shall not be less than 20% of the total amount of cash dividends and stock dividends.

According to the provisions of the Company Law, the legal reserve shall be allocated until its total amount has reached the paid in capital. legal reserve shall be used to cover losses. When the Company has no losses, new shares or cash may be issued to shareholders based on the proportion of their original shares for the portion of the legal reserve exceeding 25% of the paid in capital.

When distributing distributable earnings, the Company shall, in accordance with laws and regulations, make up for the difference between the balance of the special reserve already set aside during the first adoption of International Financial Reporting Standards and the net amount of other equity deductions. When there is a reversal in the net amount of other equity deductions in the future, the portion of the reversal in the net amount of other equity deductions may be converted into special reserves and distributed as surplus.

In accordance with the provisions of the No. 1090150022 letter issued by the FSC on 31st March, 2021, the Company sets aside special reserves for the unrealized revaluation appreciation and cumulative translation adjustments (benefits) transferred to retained earnings due to the adoption of the exemption items of the International Financial Reporting Standards No. 1 "First-time Adoption of International Financial Reporting Standards" on the conversion date when adopting the International Financial Reporting Standards for the first time. In the future, when the company uses, disposes of, or reclassifies related assets, it may reverse the allocation of surplus based on the proportion of the originally allocated special reserve.

As of January 1st, 2025 and 2024, the Company has adopted a special reserve fund of NT\$121,814 thousand for the first time. In addition, the Company did not use, dispose of or reclassify related assets in 2025 and from January 1st, 2024 to December 31st, 2024. As of December 31st, 2025 and 2024, the amount of special reserve used for the first time was NT\$121,814 thousand.

The shareholder meetings of the company are held on March 12th, 2026 and June 19 and, 2025 respectively passed resolutions on the appropriation and distribution of profits for the fiscal years 2024 and 2023, and the declaration of dividends per share, as follows:

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	Allocation and Distribution of		Dividend per Share (dollar)	
	Earnings			
	2025	2024	2025	2024
Legal reserve	\$52,398	\$68,253		
Provision (reversal) of special surplus reserve	21,235	(153,158)		
Common stock cash dividend (Including cash dividends issued from capital reserves in the years 2024 and 2023, which were in the amount of 0 thousand and NT0 thousand respectively)	525,454	600,519	\$2.80	\$3.2

Please refer to Note 6.19 for detailed information on the basis and recognized amounts of employee compensation and board and supervisor compensation estimates.

(4) Non-controlling interests

	2025	2024
Beginning balance	\$36,140	\$72,755
Investment and establishment of subsidiary equity	-	-
Net income (loss) attributable to non-controlling interests	(6,602)	(12,665)
Total comprehensive income (loss) attributable to non-controlling interests:		
Exchange differences resulting from translating the financial statements of foreign operations	(868)	388
Disposal of Non-controlling interests	(27,736)	(24,338)
Ending balance	<u>\$56,406</u>	<u>\$36,140</u>

16. Revenue

	2025	2024
Revenue from customer contracts		
Revenue from product sales	<u>\$7,550,216</u>	<u>\$7,363,790</u>

The revenue related information of the Group's contracts with customers is as follows:

(1) Revenue Breakdown

2025

	Power connection cable (device)	Plastic processing materials	Total
Sales of products	<u>\$7,202,109</u>	<u>\$348,107</u>	<u>\$7,550,216</u>
Revenue recognition time point:			
At certain time point	<u>\$7,202,109</u>	<u>\$348,107</u>	<u>\$7,550,216</u>

2024

	Power connection cable (device)	Plastic processing materials	Total
Sales of products	<u>\$7,068,111</u>	<u>\$295,679</u>	<u>\$7,363,790</u>

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Revenue recognition time point:

At certain time point	\$7,068,111	\$295,679	\$7,363,790
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(2) Contractual Balance

Current contractual liabilities

	2025.12.31	2024.12.31	2024.1.1
Sales of products	\$6,941	\$7,644	\$14,783

The explanation for significant changes in the balance of the Group's contractual liabilities is as follows:

	2025	20234
Beginning balance transferred to income for the year	\$7,644	\$14,773
Prepayment increase (decrease) in current period (deducting income incurred in the current period and reclassified)	6,941	7,634

(3) Allocated to the transaction price of outstanding performance obligations

None.

(4) Assets recognized from the cost of acquiring or fulfilling customer contracts

None.

17. Expected Credit Impairment (Loss) Benefits

	2025	2024
Operating expense — Expected credit impairment (loss) benefits		
Account receivable	\$5,881	\$4,852

Please refer to Note 12 for information related to credit risk.

The Group's financial assets at amortized cost were assessed as having low credit risk (the same as the assessment results on the day per year in 2022) on December 31st, 2025 and 2024. Therefore, the amount of allowance loss measured by 12 months' expected credit loss (credit loss rate 0%) is NT\$0 thousand.

The Group's accounts receivable (including notes receivable, accounts receivable and call collection) are measured by the amount of expected credit loss during the period of existence. The relevant description of the amount of allowance loss assessed on December 31st, 2025 and 2024 is as follows:

Receivables include financial difficulties of trading partners, whose aging days have reached more than 365 days. As of December 31st, 2025 and 2024, the overdue receivables of individual assessment was NT\$16,041 thousand and NT\$7,262 thousand respectively, and 100% allowance loss was set aside. The remaining accounts receivable are classified into groups based on factors such as counterparty credit rating, region, and industry, and are measured using a preparation matrix for impairment losses. The relevant information is as follows:

2025.12.31	Aging Days								
	0-30 days	31-60 days	61-90 days	91-120 days	121-180 days	181-270 days	271-365 days	365 days and up	Total
Total book amount	\$1,201,731	\$509,639	\$405,411	\$298,774	\$99,542	\$8,428	\$968	\$-	\$2,524,493
Loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.32%	0.00%	0.00%	
Expected credit loss during the existence					-	(27)	-	-	(27)

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period									
Subtotal	\$1,201,731	\$509,639	\$405,411	\$298,774	\$99,542	\$8,401	\$968	\$-	\$2,524,466
2024.12.31	Aging Days								
	0-30 days	31-60 days	61-90 days	91-120 days	121-180 days	181-270 days	271-365 days	365 days and up	Total
Total book amount	\$827,515	\$536,496	\$393,958	\$305,297	\$94,722	\$2,439	\$9,039	\$-	\$2,169,466
Loss rate	0.00%	0.00%	0.00%	0.00%	6.28%	2.17%	97.99%	0.00%	
Expected credit loss during the existence period					(5,948)	(5)	(8,857)	-	(14,858)
Subtotal	\$827,515	\$536,496	\$393,958	\$305,297	\$88,774	\$2,386	\$182	\$-	\$2,154,608

Note: All notes receivables of the group are not overdue.

The changes in the provision for losses on notes receivable, accounts receivable, and collections of the Group for the years 2025 and 2024 are as follows:

	Notes Receivable	Accounts Receivable	Overdue Receivable	Total
2025.1.1	\$-	\$14,858	\$7,262	\$22,120
Amount increased in current period	-	(5,881)	-	(5,881)
Actual occurrence of the current period	-	(171)	-	(171)
Exchange differences	-	(8,779)	8,779	-
2025.12.31	\$-	\$27	\$16,041	\$16,068
2024.1.1	\$-	\$20,450	\$6,159	\$26,609
(Reversal) amount of current period	-	(5,955)	1,103	(4,852)
Actual occurrence of the current period	-	-	-	-
Exchange differences	-	363	-	363
2024.12.31	\$-	\$14,858	\$7,262	\$22,120

18. Leases

(1) The Group as lessee

The land, houses, and buildings leased by the Group have a lease term ranging from 3 to 50 years and have no renewal rights. There are no restrictions imposed on the Group in this contract. The impact of leasing on the financial condition, financial performance, and cash flows of the Group is explained as follows:

A. Amount Recognized on The Balance Sheet

(a) Right-of-Use Assets

Book amount of right-of-use assets

	2025.12.31	2024.12.31
Lands	\$134,085	\$144,440
Housings and buildings	1,867	-
Total	\$135,952	\$144,440

(b) Lease Liabilities

	2025.12.31	2024.12.31
Lease liability	\$1,884	\$-
Current	933	\$-
Noncurrent	\$933	\$-

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Please refer to Note 6.20(4) Financial Costs for the interest expenses on the leasing liabilities of the Group for the years 2025 and 2024; Please refer to Note 12.5 Liquidity Risk Management for the maturity analysis of lease liabilities as of December 31st, 2025 and 2024.

B. Amount Recognized in the Comprehensive Income Statement

Depreciation of right-of-use assets

	2025	2024
Land	\$5,635	\$6,464
Housings and buildings	933	943
Total	<u>\$6,568</u>	<u>\$7,407</u>

C. Cash Outflows Related to Lessee and Leasing Activities

The Company's total cash outflows for leasing in 2024 and 2023 were NT\$955 thousand and NT\$942 thousand.

19. The summary table of Employee Benefits, Depreciation and Amortization Expenses by function is as follows :

Nature \ Function	2025			2024		
	Belong to Business Operation Cost	Belong to Operation Expense	Total	Belong to Business Operation Cost	Belong to Operation Expense	Total
Employee benefits expense						
Salary and wages	\$653,402	\$167,827	\$821,229	\$666,147	\$188,533	\$854,680
Insurance	68,737	14,558	83,295	69,652	15,401	85,053
Pension	1,759	1,623	3,382	1,814	1,665	3,479
Directors remuneration	50,586	8,981	59,567	-	17,920	17,920
Other employee benefits	76,536	17,965	94,501	52,150	9,747	61,897
Depreciation expense	-	562	562	86,848	17,548	104,396
Amortization expense	\$653,402	\$167,827	\$821,229	-	1,526	1,526

According to the articles of association, if there is a profit for the year, the Company shall allocate no less than 2% for employee compensation and no more than 5% for board and supervisor compensation. However, if there are still accumulated losses, the amount to be compensated should be retained in advance. The recipients of employee compensation referred to in the preceding paragraph may include employees of affiliated companies who meet certain conditions, and the conditions and distribution methods are authorized to be determined by the board of directors. When employee compensation is distributed in stock or cash, it shall be decided by the board of directors with a resolution of two-thirds or more of the directors present and a majority of the directors present, and reported to the shareholders' meeting. For information on the remuneration of employees and directors and supervisors approved by the Board of Directors, please go to the "Public Information Observatory" of the Taiwan Stock Exchange.

In the year 2025, the Company estimated employee and director compensation at 3.48% and 1.27% based on profitability. The recognized employee and director compensation amount in the year 2024 were NT\$33,000 thousand and NT\$12,000 thousand, respectively, and were recorded under salary expenses; In the year 2024, employee compensation and board of directors' compensation were estimated at 4.76% and 1.74% respectively based on profit status. The recognized amount of employee compensation and board of directors' compensation in the year 2024 were NT\$41,000 thousand and NT\$15,000 thousand, respectively, which were recorded under salary expenses.

On January 30th, 2026, the board of directors of the Company decided to distribute employee and director compensation in cash of NT\$33,000 thousand and NT\$12,000 thousand, respectively, for the year 2025. There are no differences between the actual amount of employee and director compensation distributed by the Company for the year 2025 and the amount recorded as expenses in the financial report for the year 2025.

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On January 22th, 2025, the board of directors of the Company decided to distribute employee and director compensation in cash of NT\$41,000 thousand and NT\$15,000 thousand, respectively, for the year 2024. There are no differences between the actual amount of employee and director compensation distributed by the Company for the year 2024 and the amount recorded as expenses in the financial report for the year 2024

20. Non-Operating Income and Expenses

(1) Interest income

	2025	2024
Financial assets at amortized cost	<u>\$81,834</u>	<u>\$97,148</u>

(2) Other income

	2025	2024
Rent income	\$18,440	\$9,154
Dividend income	12,381	12,074
Other income - other	20,717	19,387
Total	<u>\$51,538</u>	<u>\$40,615</u>

(3) Other benefits and losses

	2025	2024
Disposal of property, plant, and equipment (loss) benefits	\$1,912	\$(1,119)
Disposal of investment (loss) benefits	-	28,023
Net foreign exchange benefit (loss)	(52,031)	129,239
Interest in financial assets measured at fair value through profit or loss (note 1)	(13,702)	48,433
Interest in financial liabilities measured at fair value through profit or loss (note 2)	-	-
Other(loss) – other	(13,394)	(1,925)
Total	<u>\$(77,215)</u>	<u>\$202,651</u>

Note:

1. It is generated from financial assets measured at fair value through profit or loss, including evaluation adjustment, dividend income, interest income and exchange profit or loss.

2. Generated from financial liabilities held for trading.

(4) Financial costs

	2025	2024
Interest on borrowings from bank	\$30,006	\$33,253
Interest on lease liabilities	44	5
Total	<u>\$30,050</u>	<u>\$33,258</u>

21. Other Components of Comprehensive Income

The components of other comprehensive income for the year 2025 are as follows :

	Current Generation	Current Reclassificati on and Adjustments	Other Comprehensi ve Income	Income Tax Benefits (Expense)	Amount After Tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation	\$(14,126)	\$-	\$(14,126)	\$2,825	\$(11,301)
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(17,763)	-	(17,763)	-	(17,763)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	(72,211)	-	(72,211)	5,104	(67,107)

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Share of other comprehensive
income (loss) of associates
enterprises and joint ventures

	(14,770)	-	(14,770)	-	(14,770)
Total	<u>\$ (118,870)</u>	<u>\$-</u>	<u>\$ (118,870)</u>	<u>\$ 7,929</u>	<u>\$ (110,941)</u>

The components of other comprehensive income for the year 2024 are as follows :

	Current Generation	Current Reclassification on and Adjustments	Other Comprehensive Income	Income Tax Benefits (Expense)	Amount After Tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation	\$2,788	\$-	\$2,788	\$(558)	\$2,230
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	142,472	-	142,472	-	142,472
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	147,214	-	147,214	(29,278)	117,936
Share of other comprehensive income (loss) of associates enterprises and joint ventures	(29,326)	-	(29,326)	-	(29,326)
Total	<u>\$263,148</u>	<u>\$-</u>	<u>\$263,148</u>	<u>\$(29,836)</u>	<u>\$233,312</u>

22. Income Tax

The main components of income tax expenses (benefits) in 2025 and 2024 are as follows:

Income tax recognized in profit or loss

	2025	2024
Current income tax charge:		
Current tax payables	\$51,422	\$132,587
Current tax paid	223,192	166,951
Adjustment of current income tax of previous years	1,058	(1,796)
Deferred income tax charge:		
Deferred income tax expense (benefit) related to origination and reversal of temporary difference	(1,861)	23,891
Offset of deferred income tax assets (reversal of previous offset)	(3,299)	(55,948)
Income tax expense	<u>\$270,512</u>	<u>\$265,685</u>

Income tax recognized in comprehensive income

	2025	2024
Deferred income tax expense (benefit):		
Exchange differences arising on translation of foreign operations	\$(5,104)	\$29,278
Re-measurement on defined benefit liability/assets	(2,825)	558
Share of other comprehensive income (loss) of associates ⁽¹⁾ enterprises and joint ventures	-	-
Total	<u>\$ (7,929)</u>	<u>\$29,836</u>

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The amount of income tax expense and accounting profit multiplied by the applicable income tax rate is adjusted as follows:

	2025	2024
Net income of continuing business units	\$799,191	\$933,319
Tax amount calculated based on the domestic tax rate applicable to income in the relevant country	\$325,784	\$292,075
Income tax effect of tax-exempt income	(2,658)	(2,360)
Income tax effect of net deferred tax assets/(liabilities)	(3,299)	(24,625)
Estimated 10% income tax on unappropriated earnings	8,346	642
Adjustment of current income tax of previous years	1,058	(1,796)
Other income tax effects adjusted according to tax law	(58,719)	1,749
Total income tax expense recognized in profit or loss	\$270,512	\$265,685

Balance of deferred income tax assets (liabilities) related to the following items:

2025

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Other Changes	Exchange Differences	Ending Balance
Temporary differences						
Unrealized exchange losses	\$33,123	\$(31,554)	\$-	\$-	\$-	\$1,569
Unrealized exchange benefits	(1,000)	801	-	-	83	(116)
Unrealized loss on inventories	867	-	-	-	-	867
Allowance for financial and tax differences in losses	1,547	167	-	-	-	1,714
Unrealized commission expenses	1,760	(1)	-	-	-	1,759
Defined benefit liability	(5,897)	(87)	2,825	-	-	(3,159)
Adjustments for change in value of financial assets designation as measured at fair value through profit or loss	(1,396)	(922)	-	-	-	(2,318)
Investments accounted for using the equity method.	(495,248)	36,756	5,104	-	7,580	(445,808)
Unrealized gain on valuation of equity instrument investment at fair value through other comprehensive income	-	-	-	-	-	-
Preparation of unrealized revaluation	(12,082)	-	-	-	-	(12,082)
Deferred tax income (expense)/benefits		\$5,160	\$7,929	\$-	\$7,663	
Net deferred tax assets/(liabilities) net amount	<u>\$(478,326)</u>					<u>\$(457,574)</u>
The information expressed on the balance sheet is as follows:						
Deferred tax assets	<u>\$37,297</u>					<u>\$5,909</u>

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Deferred tax liabilities	<u>\$ (515,623)</u>					<u>\$ (463,483)</u>
2024						
	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Other Changes	Exchange Differences	Ending Balance
Temporary differences						
Unrealized exchange losses	\$21,843	\$11,280	\$-	\$-	\$-	\$33,123
Unrealized exchange benefits	(319)	(681)	-	-	-	(1,000)
Unrealized loss on inventories	867	-	-	-	-	867
Allowance for financial and tax differences in losses	1,719	(172)	-	-	-	1,547
Unrealized commission expenses	1,477	283	-	-	-	1,760
Defined benefit liability	(5,121)	(218)	(558)	-	-	(5,897)
Adjustments for change in value of financial assets designation as measured at fair value through profit or loss	1,195	(2,591)	-	-	-	(1,396)
Investments accounted for using the equity method.	(479,357)	24,156	(29,278)	-	(10,769)	(495,248)
Unrealized gain on valuation of equity instrument investment at fair value through other comprehensive income	-	-	-	-	-	-
Preparation of unrealized revaluation	(12,082)	-	-	-	-	(12,082)
Deferred tax income (expense)/benefits		<u>\$32,057</u>	<u>\$ (29,278)</u>	<u>\$-</u>	<u>\$ (10,769)</u>	
Net deferred tax assets/(liabilities) net amount	<u>\$ (469,778)</u>					<u>\$ (478,326)</u>
The information expressed on the balance sheet is as follows:						
Deferred tax assets	<u>\$27,101</u>					<u>\$37,297</u>
Deferred tax liabilities	<u>\$ (496,879)</u>					<u>\$ (515,623)</u>

Unrecognized deferred income tax liabilities related to investment subsidiaries

Since the Group has decided not to distribute the undistributed earnings of the parton in the foreseeable future, the Group has not recognized the relevant deferred income tax liabilities for the income tax payable that may arise when part of the undistributed earnings of foreign subsidiaries are repatriated. As of December 31st, 2025 and 2024, the amount of taxable temporary differences not recognized as deferred income tax liabilities was NT\$4,140,043 and NT\$4,173,756 thousand.

Verification of income tax declaration

As of December 31st, 2025, the verification of income tax declaration of the Group was as follows:

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	Verification of income tax declaration	Notes
The Company	Approved until the year 2023	No differences

23. Earnings Per Share

The calculation of the basic earnings per share is based on the net profit attributable to the holders of ordinary shares of the parent company in the current period divided by the weighted average number of ordinary shares outstanding in the current period.

The calculation of diluted earnings per share is based on the net profit attributable to the holders of ordinary shares of the parent company in the current period (after adjusting the interest on convertible corporate bonds) divided by the weighted average number of ordinary shares outstanding in the current period, plus the weighted average number of ordinary shares to be issued when all potential ordinary shares with dilution effect are converted into ordinary shares.

	2025	2024
(1) Basic earnings per share		
Net profit attributable to common stock holders of the parent company (in thousand dollars)	\$535,281	\$680,299
Number of outstanding shares at the beginning of the period of basic earnings per share (in thousand shares)	187,662	187,662
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	187,662	187,662
Based earnings per share (dollars)	2.85	3.63
	2025	2024
(2) Diluted earnings per share		
Net profit attributable to common stock holders of the parent company (in thousands dollars)	\$535,281	\$680,299
Net profit attributable to common stock holders of the parent company after adjusting the dilution effect (in thousands dollars)	\$535,281	\$680,299
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	187,662	187,662
Effect of dilution :		
Employee bonus stock (in thousand shares)	766	804
Net profit attributable to common stock holders of the parent company after adjusting the dilution effect (in thousands dollars)	188,428	188,466
Diluted earnings per share (dollars)	\$2.84	\$2.81

There were no significant changes in the number of outstanding or potential ordinary shares traded at the end of the reporting period until the financial statements were released.

24. Changes in ownership interests in subsidiaries

- Considering the development in the USA, the Group sold 51% of the shares of the subsidiary, ADMIRAL HOLDING CORP., by USD1,633 thousand (converted into NT\$52,116 thousand) to ADMIRAL GLOBAL LTD(HK) on August 15, 2024, and lost control over it. ADMIRAL GLOBAL LTD(HK) holds 100% of the shares of ADMIRAL HOLDING CORP..
- Details of carrying amount of the assets and liabilities of ADMIRAL HOLDING CORP.at the sale date are as follows:

	Carrying amount
Cash and cash equivalents	\$11,478
Prepayments	79,487
Property, plant and equipment	309,589
Other non-current assets	574,936

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Other payables – related parties	(438,547)
Other current liabilities - others	(48,728)
Long-term payables – related parties	(438,547)
Net identifiable assets	\$49,668
Proceeds from sale	\$52,116
Less: net identifiable assets	(49,668)
Minority interests	24,338
Accumulated exchange differences reclassified to profit or loss	1,237
Gains or losses on disposal	\$28,023

7. Related Party Transactions

During the financial reporting period, the following individuals were involved in transactions with the Group:

Related party name and categories

Related Party Name	Related Party Categories
I-SHENG COMPANY (BRASIL)	Company Associates
ADMIRAL GOLOBAL LTD(HK)	Company Associates
ADMIRAL HOLDING CORP.	Company Associates
GENIUS FAITH, INC.	Other related parties
BAICHUN INVESTMENT CO., LTD.	Company Substantive Related Parties
FUNGHE INVESTMENT CO., LTD.	Company Substantive Related Parties
MING FU INVESTMENT CO., LTD.	Company Substantive Related Parties

Significant transactions with related parties

1. Other receivables

	2025.12.31	2024.12.31
Associates of the Group		
I-SHENG COMPANY (BRASIL)	\$4,867	\$15,097
ADMIRAL HOLDING CORP.	682	328
I-SHENG COMPANY (BRASIL)	\$5,549	\$15,425

2. Leases – Related Party

Right-of-use assets

	2025.12.31	2024.12.31
Other related parties		
BAICHUN INVESTMENT CO., LTD.	\$467	\$-
FUNGHE INVESTMENT CO., LTD.	467	-
MING FU INVESTMENT CO., LTD.	933	-
Total	\$1,867	\$-

Lease liabilities

	2025.12.31	2024.12.31
Other related parties		
BAICHUN INVESTMENT CO., LTD.	\$471	\$-
FUNGHE INVESTMENT CO., LTD.	471	-
MING FU INVESTMENT CO., LTD.	942	-
Total	\$1,884	\$-

Interest Expense

	2025	2024
Other related parties	\$44	\$5

3. Salary and Wages of the Company's Main Management Personnel

	2025	2024
Short-term employee benefits	\$21,511	\$20,681
Post-employment benefits	1,300	1,240
Total	\$22,811	\$21,921

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8. Pledged Assets

The Group has the following assets as collateral:

Items	2025.12.31	2024.12.31	Content of Guaranteed Debt
Land	\$130,840	\$130,840	Long/short-term borrowings
Housings and buildings	21,792	21,792	Long/short-term borrowings
Notes Receivable	5,358	-	Notes Receivable Discounted ,
Financial assets at amortized cost — certificate deposits — pledged			Short-term borrowings 、Letter of credit
	1,934	214,308	
Total	<u>\$158,697</u>	<u>\$366,940</u>	

9. Major Contingent Liabilities and Unrecognized Commitments

- a. As of December 31st, 2025, the guaranteed notes issued by the Group for borrowings were NT\$1,450,000 thousand and US\$ 1,000 thousand.
- b. As of December 31, 2025, the letter of credit issued but not used amounted to USD10 thousand.

10. Major Disaster Losses

No related matters.

11. Significant Subsequent Events

No related matters.

12. Others

1. Types of financial instruments

Financial assets

	2025.12.31	2024.12.31
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss (current and noncurrent)	\$43,950	\$209,045
Financial assets at fair value through comprehensive income	393,456	411,219
Financial assets at amortized cost		
Cash and cash equivalents (exclude cash on hands)	1,731,304	2,020,384
Financial assets at amortized cost	1,250,709	1,351,018
Notes receivable (include related parties)	147,385	106,530
Accounts receivable (include related parties)	2,377,081	2,048,078
Other receivables	40,275	49,109
Guarantee deposits paid	1,998	-
Subtotal	5,548,752	5,575,119
Total	<u>\$5,986,158</u>	<u>\$6,195,383</u>

Financial liabilities

	2024.12.31	2023.12.31
Financial liabilities at amortized cost:		
Short-term borrowings	\$1,625,358	\$1,700,000
Payables (include long-term payables)	884,550	840,888
Lease liabilities (current and noncurrent)	1,884	-
Guarantee deposits received	620	9,354
Subtotal	<u>\$2,512,412</u>	<u>2,550,242</u>

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2. Financial Risk Management Objectives and Policies

The financial risk management objective of the Group is mainly to manage market risk, credit risk and liquidity risk related to operating activities. The Group identifies, measures and manages the above risks in accordance with the Group's policies and risk preferences.

The Group has established appropriate policies, procedures and internal controls for the abovementioned financial risk management in accordance with relevant regulations. Important financial activities must be reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. During the implementation of financial management activities, the Group shall truly comply with the relevant provisions on financial risk management.

3. Market Risk

The Group's market risk refers to the risk of fluctuations in the fair value or cash flow of financial instruments due to changes in market prices. The market risk mainly includes exchange rate risk, interest rate risk and other price risks (such as equity instruments).

In practice, it is rare for a single risk variable to change independently, and the changes in each risk variable are usually correlated. However, the sensitivity analysis of the following risks does not consider the interactive effects of the relevant risk variables.

Exchange Rate Risk

The exchange rate risk of our company is mainly related to operating activities (the currency used for income or expenses is different from the functional currency of the Group) and net investments in foreign operations.

The foreign currency accounts receivable and payable of the Company are in the same currency category. In this case, a considerable portion of the positions will have a natural hedging effect. For some foreign currency accounts, forward exchange and interest trading will be used to manage exchange rate risk. Based on the aforementioned natural hedging and forward exchange and interest trading methods for managing exchange rate risk, which do not comply with the requirements of hedge accounting, hedge accounting has not been adopted; In addition, the net investment of foreign operations is a strategic investment, therefore, the Company did not hedge against this.

The sensitivity analysis of the Company's exchange rate risk mainly focuses on the main foreign currency monetary items at the end of the financial reporting period, and the impact of their related foreign currency appreciation/depreciation on the Company's profits and losses. The exchange rate risk of the Company is mainly affected by fluctuations in the US dollar exchange rate. The foreign currency financial assets, liabilities, and sensitivity analysis information that have a significant impact are as follows:

- (1) When the New Taiwan Dollar appreciates/depreciates by 1% against the Chinese Yuan, the net profit of the Group for the years 2025 and 2024 will increase / decrease by NT\$9,679 thousand and NT\$11,220 thousand, respectively.
- (2) When the New Taiwan Dollar appreciates/depreciates by 1% against the US Dollar, the net profit of the Group for the years 2025 and 2024 will increase/ decrease by NT\$17,529 thousand and NT\$17,903 thousand, respectively.
- (3) When the New Taiwan Dollar appreciates/depreciates by 1% against the Hong Kong Dollar, the net profit of the Group for the years 2025 and 2024 will increase/ decrease by NT\$10,550 thousand and NT\$12,569 thousand, respectively.
- (4) When the New Taiwan Dollar appreciates/depreciates by 1% against the Vietnamese Dong, the net profit of the Group for the years 2025 and 2024 will increase/ decrease by NT\$4,855 thousand and NT\$1,008 thousand, respectively.

Interest Rate Risk

Interest rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments caused by changes in market interest rates. The interest rate risk of the Group mainly comes from floating rate investments, fixed rate loans and floating rate loans.

The Group manages interest rate risk by maintaining an appropriate combination of fixed and floating interest rates.

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The sensitivity analysis of interest rate risk is mainly focused on the interest rate exposure items at the end of the financial reporting period, including floating rate investments and floating rate borrowings, and assuming that the holding of an accounting year, when the interest rate increases/decreases by 1%, the net profit of the Group in 2025 and 2024 will decrease/increase by NT\$294 thousand and NT\$295 thousand respectively.

Equity Price Risk

The fair value of the funds and equity securities held by the Group will be affected by the uncertainty of the future value of such investment objects. The funds and equity securities held by the Group are measured at fair value through profit or loss and at fair value through other comprehensive profit or loss. The Group manages the price risk of equity securities by diversifying investments and setting limits for individual and overall equity securities investments. The investment portfolio information of equity securities must be regularly provided to the senior management of the Group, and the Board of Directors must review and approve all equity securities investment decisions.

If the prices of stocks of listed companies recognized as investments in equity instruments at fair value through other comprehensive income increase/decrease by 1%, the equity of the Company for the years ended December 31, 2025 and 2024 will increase/decrease by NT\$1,471 thousand and NT\$1,459 thousand, respectively.

Please refer to Note 12.9 for the information on sensitivity analysis for other equity instruments and derivative instruments linked to equity instruments whose fair value hierarchy belongs to level 3.

4. Credit Risk Management

Credit risk refers to the risk of financial loss caused by the counterparty's failure to perform the obligations contained in the contract. The credit risk of the Group is caused by operating activities (mainly accounts receivable and bills) and financial activities (mainly bank deposits and various financial instruments).

Each business unit manages credit risk in accordance with credit risk policies, procedures and controls. The credit risk assessment of all counterparties is based on a comprehensive consideration of such counterparties' financial conditions, credit rating agencies' ratings, past trading experience, current economic environment, and the Group's internal rating standards. The Group also uses certain credit enhancement tools (such as advance payment for goods) at appropriate times to reduce the credit risk of specific counterparties.

As of December 31st, 2025 and 2024, the accounts receivable of the top ten customers accounted for 22% and 24% of the balance of the Company's accounts receivable, respectively. There was no significant concentration of credit risk in other accounts receivable.

The Finance Department of the Group manages the credit risk of bank deposits, fixed income securities and other financial instruments in accordance with the Group's policies. Since the trading partners of the Group are determined by internal control procedures and belong to banks with good credit and financial institutions and corporate organizations with investment grade, and there is no major doubt about performance, therefore no major credit risk exists.

The Group adopts the International Financial Reporting Standards No. 9 to assess the expected credit loss. Except for receivables, other debt instrument investments that are not measured at fair value through profit or loss are initially purchased on the premise of low credit risk. On each balance sheet date, the Group assesses whether the credit risk has significantly increased since the original recognition to determine the method of measuring the allowance loss and its loss rate. The Group's credit risk assessment information is as follows:

Credit Risk Level	Indicator	Method for Measuring Expected Credit Losses	Total Book Amount	
			2025.12.31	2024.12.31
Low credit Risk	The counterparty is a person with good credit	Credit loss due to 12 months overdue	\$1,250,709	\$1,351,018
Credit impairment	Other evidence of impairment	Expected credit loss during the existence period	\$16,041	\$7,262

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Simplified method (note)	(note)	Expected credit loss during the existence period	\$2,524,493	\$2,169,466
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Note: Adopting the simplified method (measuring allowance losses based on expected credit losses during the existence period), including notes receivable and accounts receivable.

In addition, when the Group is unable to reasonably expect to recover the financial assets (such as major financial difficulties of the issuer or debtor, or bankruptcy), it shall write off.

5. Liquidity Risk Management

The Group maintains financial flexibility through contracts such as cash and cash equivalents, as well as bank loans. The following table summarizes the maturity status of the payments contained in the contracts of our company's financial liabilities, based on the earliest possible date of repayment and their undiscounted cash flows. The amounts listed also include agreed interest. The undiscounted interest amount of interest cash flows paid at floating interest rates is derived from the yield curve at the end of the reporting period.

Non-Derivative Financial Liabilities

	Less than a Year	2-3 Years	4-5 Years	5 Years and Up	Total
2025.12.31					
Short-term borrowings	\$1,631,688	\$-	\$-	\$-	\$1,631,688
Lease liabilities	960	960	-	-	1,920
Payables	884,550	-	-	-	884,550
2024.12.31					
Short-term borrowings	\$1,707,502	\$-	\$-	\$-	\$1,707,502
Lease liabilities	-	-	-	-	-
Payables	840,888	-	-	-	840,888

6. Reconciliation of Liabilities from Financing Activities

Information on reconciliation of liabilities of 2025:

	Short-Term Borrowings	Long-Term Payables	Lease Liabilities	Total Liability Amount from Financing Activities
2025.1.1	\$1,700,000	\$-	\$-	\$1,700,000
Cash flows	(74,642)	-	(916)	(75,558)
Changes of non-cash	-	-	2,800	2,800
2025.12.31	\$1,625,358	\$-	\$1,884	\$1,627,242

Information on reconciliation of liabilities of 2024:

	Short-Term Borrowings	Long-Term Payables	Lease Liabilities	Total Liability Amount from Financing Activities
2024.1.1	\$1,600,000	\$399,945	\$955	\$2,000,900
Cash flows	100,000	(399,945)	(955)	(300,900)
Changes of non-cash	-	-	-	-
2024.12.31	\$1,700,000	\$-	\$-	\$1,700,000

7. Fair Value of Financial Instruments

(1) Valuation techniques and assumptions adopted for fair value

Fair value refers to the price that can be received by market participants to sell assets or paid to transfer liabilities in an orderly transaction on the measurement date. The methods and assumptions used by the Company to measure or disclose the fair value of financial assets and financial liabilities are as follows:

A. The book value of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities is a reasonable approximation of the fair value, mainly because the maturity period of such instruments is short.

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- B. The fair value of financial assets and financial liabilities that are traded in the open market and have standard terms and conditions is determined by reference to market quotations (including OTC listed stocks and beneficiary certificates).
 - C. The fair value of equity instruments without open market transactions (including the shares of public companies without open market and the shares of non-public companies without open market) is estimated by the market method, which is based on the prices generated by market transactions of equity instruments of the same or comparable companies and other relevant information (such as the lack of liquidity discount factors, the cost to earnings ratio of similar companies' stocks, the stock price to net worth ratio of similar companies and other input values).
 - D. For investment in debt instruments, bank borrowings and other non-current liabilities without active market quotation, the fair value is determined by the quotation of the counterparty or the evaluation technology, which is based on the discount analysis of cash flow, and the assumptions such as interest rate and discount rate are mainly related to the reference of similar instruments (such as the reference yield curve of the OTC market, the average quotation of commercial promissory note interest rate of Reuters, and credit risk).
- (2) Fair value of financial Instruments measured at amortized cost
The book value of financial instruments measured by the Company at amortized cost is a reasonable approximation of fair value.
 - (3) Information on the fair value hierarchy of financial instruments
Please refer to Note 12.9 for details of the fair value hierarchy of the Company's financial instruments.

8. Derivative Instruments

As of December 31st, 2025 and 2024, the Group held derivatives that did not conform to hedge accounting and had not yet matured are as follows:

Forward exchange for interest transactions

The forward exchange and interest trading contract is a high-risk position for managing certain transactions but it is not designated as a hedging tool. The trading situation of forward exchange and interest trading contracts undertaken by the Group is as follows:

December 31st, 2025:

Items	Contract Amount	Time Period
Forward exchange for interest transactions	Purchase of USD Put for NT\$5,000 thousand	2025.07.21 to 2026.01.21

December 31st, 2024:

Items	Contract Amount	Time Period
Forward exchange for interest transactions	Purchase of USD Put for NT\$5,000 thousand	2024.09.13 to 2025.01.21
Forward exchange for interest transactions	Purchase of USD Put for NT\$5,000 thousand	2024.11.29 to 2025.03.31

For forward exchange and interest exchange transactions, it is mainly to avoid the risk of exchange rate changes in net assets or net liabilities. There is a relative cash inflow or outflow at the time of maturity, and the Company's working capital is sufficient to cover, so there is no significant cash flow risk.

9. Fair Value Hierarchy

(1) Definition of Fair Value Hierarchy

All assets and liabilities measured or disclosed at fair value are classified into the fair value hierarchy according to the lowest level input value that is important for the overall fair value measurement. The input values for each level are as follows:

Level 1: The quoted price (unadjusted) of the same assets or liabilities that can be obtained on the measurement date in the active market.

Level 2: The observable input value of assets or liabilities, directly or indirectly, except for

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those included in the Level 1 quotation.

Level 3: The unobservable input value of assets or liabilities.

The assets and liabilities recognized in the financial statements on a recurring basis shall be re classified at the end of each reporting period to determine whether there is a transfer between the levels of the fair value hierarchy.

(2) Level Information of the Fair Value Hierarchy

The Group has no non-recurring assets measured at fair value. The fair value hierarchy information of recurring assets and liabilities is as follows:

December 31st, 2024:

	Level 1	Level 2	Level 3	Total
<u>Assets at Fair Value:</u>				
Financial assets at fair value through profit or loss				
Fund	\$-	\$-	\$-	\$-
Breakeven financial products	\$-	\$-	\$-	\$-
Forward exchange for interest transactions	\$-	\$11,592	\$-	\$11,592
Financial assets at fair value through comprehensive income	\$-	\$-	\$18,563	\$18,563
Equity instruments at fair value through comprehensive income	\$13,795	-	-	\$13,795
<u>Liabilities at Fair Value :</u>				
Financial liabilities at fair value through profit or loss	\$-	\$-	\$-	\$-
Forward exchange for interest transactions	\$-	\$-	\$-	\$-

Assets at Fair Value:

Financial assets at fair value through profit or loss	\$147,104	\$-	\$246,352	\$393,456
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December 31st, 2023:

	Level 1	Level 2	Level 3	Total
<u>Assets at Fair Value:</u>				
Financial assets at fair value through profit or loss				
Fund	\$-	\$-	\$-	\$-
Breakeven financial products	\$-	\$-	\$202,067	\$202,067
Financial assets at fair value through comprehensive income	-	\$6,978	\$-	\$6,978
Equity instruments at fair value through comprehensive income	\$-	\$-	\$-	\$-
<u>Liabilities at Fair Value :</u>				
Financial liabilities at fair value through profit or loss	\$-	\$-	\$-	\$-
Forward exchange for interest transactions	\$145,946	\$-	\$265,273	\$411,219

Transfer between Level 1 and Level 2 of fair value hierarchy

The price of the shares of VSO ELECTRONICS CO., LTD. amounted to NT\$145,948 thousand for the years ended December 31, 2024 and 2023. The transaction market of the shares have been transferred from the emerging market to Taipei Exchange. As the quoted prices of identical assets in an active market at the measurement date is available, the fair

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value hierarchy has been transferred from Level 2 to Level 1.

Details of changes in Level 3 of repetitive fair value hierarchy

If the assets and liabilities measured by the Group's repeated fair value belong to level 3 of the fair value hierarchy, the adjustment of the balance from the beginning of the period to the end of the period is as follows:

	Assets		
	Measured at fair value through profit or loss	Measured at fair value through comprehensive income	
	Breakeven Financial Products	Stock	Total
2025.1.1	\$202,067	\$265,272	\$467,339
Total recognized profits (losses) for the year 2024:			
Recognized in profit or loss (reported in 'other benefits and losses')	2,355	1,223	3,578
Total profit recognized from January 1 st to December 31 st , 2025:	-	-	-
Recognized in other comprehensive income (reported in "unrealized evaluation profit and loss of equity instrument investment measured by fair value through other comprehensive income")		(18,920)	18,920
Acquisition/Issuance of year 2024	-	17,340	17,340
Disposal of year 2025	(198,694)	-	(198,694)
Transfer in (out) level 3	-	-	-
Impact of exchange rate changes	(5,728)	-	(5,728)
2025.12.31	\$-	\$264,915	\$264,915

	Assets		
	Measured at fair value through profit or loss	Measured at fair value through comprehensive income	
	Breakeven Financial Products	Stock	Total
2024.1.1	\$43,399	\$192,972	\$236,371
Total recognized profits (losses) for the year 2023:			
Recognized in profit or loss (reported in 'other benefits and losses')	4,294	-	4,294

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	Assets		
	Measured at fair value through profit or loss	Measured at fair value through comprehensive income	
	Breakeven Financial Products	Stock	Total
Recognized in other comprehensive income (reported in "unrealized evaluation profit and loss of equity instrument investment measured by fair value through other comprehensive income")	-	72,300	72,300
Acquisition/Issuance of year 2024	537,480	-	200,925
Disposal of year 2024	(384,541)	-	(48,464)
Transfer in (out) level 3			
Impact of exchange rate changes	1,435	-	1,913
2024.12.31	<u>\$202,067</u>	<u>\$265,273</u>	<u>\$467,340</u>

Among the total profits recognized in profit or loss, the profits related to the assets held as of December 31st, 2025 and 2024 were NT\$3,578 thousand and NT\$4,294 thousand, respectively.

Significant unobservable input value information of level 3 of fair value hierarchy

The major unobservable input values of the assets measured by the repeated fair value of level 3 of the fair value hierarchy of the Group for fair value measurement are listed in the following table:

December 31st, 2025:

	Valuation Technique	Major Unobservable Inputs	Quantitative Information	Relationship between Inputs and Fair Value	Sensitivity Analysis of the Relationship between Input and fair value relationship
Financial assets: Measured at fair value through profit or loss					
Breakeven financial products	Market approach	Pricing of financial products	No need to apply	No need to apply	As financial products are currency transactions, their value is equivalent to the fair value
Measured at fair value through comprehensive income					
Stock	Market approach	Stock to equity ratio of similar companies	0.64~4.99	Similar companies have high stock price to net worth ratios, and the higher the fair value estimates, the higher the degree of lack of	When the stock to equity ratio of similar companies increases (decreases) by 1%, the equity of the Company will increase/decrease by NT\$541 thousand

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		Lack of liquidity discount	20%	liquidity, and the lower the fair value estimates Similar companies have high stock price to net worth ratios, and the higher the fair value estimates, the higher the degree of lack of liquidity, and the lower the fair value estimates	When the percentage of illiquidity increases (decreases) by 5%, the equity of the Company will decrease/increase by NT\$13,514 thousand
December 31 st , 2024;					
	Valuation Technique	Major Unobservable Inputs	Quantitative Information	Relationship between Inputs and Fair Value	Sensitivity Analysis of the Relationship between Input and fair value relationship
Financial assets:					
Measured at fair value through profit or loss					
Breakeven financial products	Market approach	Pricing of financial products	No need to apply	No need to apply	As financial products are currency transactions, their value is equivalent to the fair value
Measured at fair value through comprehensive income					
Stock	Market approach	Stock to equity ratio of similar companies	0.65~4.89	Similar companies have high stock price to net worth ratios, and the higher the fair value estimates, the higher the degree of lack of liquidity, and the lower the fair value estimates	When the stock to equity ratio of similar companies increases (decreases) by 1%, the equity of the Company will increase/decrease by NT\$591 thousand
		Lack of liquidity discount	20%	Similar companies have high stock price to net worth ratios, and the higher the fair value estimates, the higher the degree of lack of liquidity, and the lower the fair value estimates	When the percentage of illiquidity increases (decreases) by 5%, the equity of the Company will decrease/increase by NT\$14,781 thousand

(Note) The quantitative unobservable inputs are not built by the Group when measuring the

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fair value, but based on the pricing information from the third parties.

Valuation Process of Level 3 of Fair Value Hierarchy

The Finance and Accounting Department of the Group is responsible for verifying the fair value, making the evaluation result close to the market state through independent source data, confirming that the source of data is independent, reliable, consistent with other resources, and represents the executable price, and analyzing the changes in the value of assets and liabilities that must be remeasured or reevaluated according to the Group's accounting policies on each reporting date to ensure that the evaluation result is reasonable.

10. Major Exchange Rate Information of Foreign-Currency Financial Assets and Liabilities

2025.12.31			
	Foreign Currency	Exchange Rate	NTD
<u>Financial Assets</u>			
Monetary items:			
RMB	\$258,949	4.504	\$1,166,305
USD	55,798	31.415	1,752,898
HKD	349,376	4.034	1,409,382
VND	490,014,712	0.0012	588,018
Non-monetary items:			
HKD	\$127,234	4.034	\$513,262
BRL	41,145	5.3784	221,293
<u>Financial liabilities</u>			
Monetary items:			
RMB	\$44,053	4.504	\$198,415
HKD	87,859	4.034	354,424
VND	85,439,885	0.0012	102,528
2024.12.31			
	Foreign Currency	Exchange Rate	NTD
<u>Financial Assets</u>			
Monetary items:			
RMB	\$296,524	4.479	\$1,328,129
USD	63,442	32.835	2,083,104
HKD	396,080	4.222	1,672,248
VND	289,336,268	0.0013	376,137
Non-monetary items:			
BRL	37,765	5.2939	199,922
<u>Financial Liabilities</u>			
Monetary items:			
RMB	46,026	4.479	206,150
USD	117,967	32.835	3,873,438
HKD	98,368	4.222	415,309
VND	211,799,389	0.0013	275,339

Due to the wide variety of foreign currency transactions conducted by the Group, it is not possible to disclose information on the exchange gains and losses of monetary financial assets and financial liabilities based on the significant impact of each foreign currency. The foreign currency exchange (losses) gains of the Group in 2025 and 2024 were NT\$(52,031) thousand and NT\$129,239 thousand, respectively.

The above information is disclosed based on the foreign currency book amount (converted to functional currency).

11. The information for accounts receivable

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The group has entered into non-recourse factoring agreements with financial institutions for parts of accounts receivable. In addition to transferring the cash flow rights of these accounts receivable, our group is not required to bear the credit risk of non-collection (excluding commercial disputes) in accordance with the terms of the agreements. This meets the criteria for derecognition of financial assets. The relevant information of the transaction is as follows:

2025.12.31

No related matters.

2024.12.31				
Clients	Sale amount	Amount advanced	Interest interval	Others
CTBC Bank Co., Ltd.	<u>\$7,297</u>	<u>\$-</u>	90%	1. Provide promissory note USD 250,000 to Clients.

The Group's financial institutions for accounts receivable securitization have good credit quality, and the Group has diversified its credit risk by transacting with multiple financial institutions. Therefore, the likelihood of default is expected to be low.

12. Capital Management

The most important objective of the Group's capital management is to confirm and maintain a sound credit rating and good capital ratio to support enterprise operations and maximize shareholders' equity. The Group manages and adjusts its capital structure based on economic conditions, and may achieve the goal of maintaining and adjusting its capital structure by adjusting dividend payments, returning capital, or issuing new shares.

13. Additional Disclosures

1. Information related to major transaction matters:
 1. Financings provided: See Table 1 attached.
 2. Endorsement/Guarantee provided: See Table 2 attached.
 3. Marketable securities held: See Table 3 attached.
 4. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: See Table 4 attached.
 5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 5 attached.
 6. Other: Business relationships and important transactions and their amount between parent and subsidiary companies, as well as between each subsidiary company: See Table 6 attached.
2. Information related to reinvestment in enterprises:
 1. For invested companies that directly or indirectly have significant influence, control, or joint venture control over non mainland regions, their name, location, main business items, original investment amount, year-end shareholding situation, current period gains and losses, and recognized investment gains and losses shall be disclosed: See Table 7.
3. Information on investment in mainland China
 1. The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: See Table 8 attached.
 2. Significant transactions directly or indirectly through the third region with the investees in Mainland China, and the prices, payment terms, and unrealized gains and losses: See Table 1, Table 2, Table 4, Table 5 and Table 6 attached.

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14. Department Information

For management purposes, the Group divides its operating units into two reportable operating departments based on different products and services:

1. Power Connection Cable (Device) Department: This department is responsible for applications in computers, network communication devices, and consumer electronics products.
2. Plastic Processing Materials: This department is responsible for supplying electronic component manufacturers for production and manufacturing.

The aforementioned reportable operating departments have not summarized more than one operating department.

The management team individually monitors the operational results of their business units to make decisions on resource allocation and performance evaluation. The performance of the department is evaluated based on the net profit or loss after tax and measured in a manner consistent with the operating profit or loss in the consolidated financial statements. In addition, the Group did not provide the total assets and total liabilities of operational decision-makers for operational decision-making, so it did not disclose the measurement amounts of operating department assets and liabilities.

The transfer pricing between operating departments is based on regular transactions similar to those of external third parties.

1. Information on departmental profit and loss, assets, and liabilities that should be reported
2025

	Power Connection Cable (Device)	Plastic Processing Materials	Subtotal of reportable department	Adjustment and Cancellation (Note)	Group Total
Income from external customers	\$7,202,109	\$348,107	\$7,550,216	\$-	\$7,550,216
Interdepartmental income	1,965,586	293,615	2,259,201	(2,259,201)	-
Interest income	66,552	15,282	81,834	-	81,834
Total income	<u>\$9,234,247</u>	<u>657,004</u>	<u>\$9,891,251</u>	<u>(2,259,201)</u>	<u>\$7,632,050</u>
Interest expense	<u>\$30,050</u>	<u>\$-</u>	<u>\$30,050</u>	<u>\$-</u>	<u>\$30,050</u>
Depreciation and amortization	<u>\$91,429</u>	<u>\$3,634</u>	<u>\$95,063</u>	<u>\$-</u>	<u>\$95,063</u>
Departmental profit and loss	<u>\$730,904</u>	<u>\$68,287</u>	<u>\$799,191</u>	<u>\$-</u>	<u>\$799,191</u>

2024

	Power Connection Cable (Device)	Plastic Processing Materials	Subtotal of reportable department	Adjustment and Cancellation (Note)	Group Total
Income from external customers	\$7,068,111	\$295,679	\$7,363,790	\$-	\$7,363,790
Interdepartmental income	2,133,901	359,980	2,493,881	(2,493,881)	-
Interest income	79,121	18,027	97,148	-	97,148
Total income	<u>\$9,281,133</u>	<u>\$673,686</u>	<u>\$9,954,819</u>	<u>\$(2,493,881)</u>	<u>\$7,460,938</u>
Interest expense	<u>\$33,258</u>	<u>\$-</u>	<u>\$33,258</u>	<u>\$-</u>	<u>\$33,258</u>
Depreciation and amortization	<u>\$112,594</u>	<u>\$4,464</u>	<u>\$117,058</u>	<u>\$(11,136)</u>	<u>\$105,922</u>
Departmental profit	<u>\$889,048</u>	<u>\$44,271</u>	<u>\$933,319</u>	<u>\$-</u>	<u>\$933,319</u>

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and loss

Note: Interdepartmental income is eliminated during the merger and reflected in the "adjustment and elimination" section.

2. Reconciliation of department income, profit and loss, and other major items that should be reported

(1) Income

	2025	2024
Total reportable department income	\$9,891,251	\$9,954,819
Eliminated interdepartmental income	(2,259,201)	(2,493,881)
Group income	<u>\$7,632,050</u>	<u>\$7,460,938</u>

(2) Profit and Loss

	2025	2024
Total reportable department profit and loss	\$799,191	\$933,319
Reduced interdepartmental income	-	-
Net profit after tax of continuing business units	<u>\$799,191</u>	<u>\$933,319</u>

(3) Other major items

2025

	Total reportable department income	Adjustments	Total Number in Group
Interest income	\$81,834	\$-	\$81,834
Interest expense	30,050	-	30,050
Depreciation and Amortization	95,063	-	95,063

2024

	Total reportable department income	Adjustments	Total Number in Group
Interest income	\$97,148	\$-	\$97,148
Interest expense	33,258	-	33,258
Depreciation and Amortization	117,058	(11,136)	105,922

3. Regional Information

Income from external customers:

	2025	2024
China (Hong Kong)	\$3,459,523	\$3,541,142
Taiwan	1,547,072	1,680,546
Vietnam	893,191	457,768
United States	300,685	390,397
Japan	306,317	348,153
Other	1,043,428	945,784
Total	<u>\$7,550,216</u>	<u>\$7,363,790</u>

Income is classified based on the customer's country of origin.

Noncurrent assets:

	2025	2024
Taiwan	\$222,325	\$249,203
China (Hong Kong)	743,500	813,648
United States	-	-
Other	649,586	678,900
Total	<u>\$1,615,411</u>	<u>\$1,741,751</u>

This part of noncurrent assets includes property, plant and equipment, right-of-use assets, intangible assets, and other noncurrent assets. Excluding assets of financial instruments and deferred income tax.

4. Information of Major Customers

Customers of the Group who accounted for over 10% of the consolidated net operating income in the years 2025 and 2024: None.

TABLE 1: FINANCINGS PROVIDED

Unit: New Taiwan Dollars (Thousands)

No. (note 1)	Financing Company	Counterparty	Financing Statement Account (note 2)	Related Party	Maximum Balance for the Period (note 3)	Ending Balance (note 8)	Amount Actually Drawn	Interest Rate	Nature for Financing (note 4)	Transaction Amount (note 5)	Reason for Financing (note 6)	Allowance for Bad Debt	Collateral Items	Value	Each Borrowing Party (note 7)	Consolidated Total Financing Amount Limits (note 7)	Other Notes
1	YEAR SWEEP LIMITED (SAMOA)	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	Other receivables	Y	\$21,296,000	\$2,101,440	\$2,101,440	-	The need for short-term financing	-	Operating Capital	-	-	-	\$2,449,525	\$2,939,430	-
2	I-SHENG ELECTRONICS(KUNSHAN) CO.,LTD.	I-SHENG MANUFACTURING(SONG GANG) FACTORY	Other receivables	Y	\$457,300 (RMB100,000千元)	\$225,200 (RMB50,000千元)	\$225,200 (RMB50,000千元)	-	The need for short-term financing	-	Operating Capital	-	-	-	\$843,023	\$1,011,627	-
3	MINHONG WIRE & CABLE (SHENZHEN) CO., LTD.	I-SHENG MANUFACTURING(SONG GANG) FACTORY	Other receivables	Y	\$214,931 (RMB47,000千元)	\$211,688 (RMB47,000千元)	\$211,688 (RMB47,001千元)	-	The need for short-term financing	-	Operating Capital	-	-	-	\$229,053	\$257,685	-

Note 1 : The business transactions between the parent company and its subsidiaries should be indicated separately in the number column. The method for filling in the number is as follows:

1. Issuer: 0
2. The invested companies are numbered sequentially starting with the Arabic numeral 1 by company type.

Note 2 : Items such as accounts receivable from related enterprises, accounts receivable from related parties, shareholder transactions, prepayments, temporary payments, etc. in the account must be filled in this field if they are in the nature of capital loans.

Note 3 : The maximum balance of funds loaned to others in the current year.

Note 4 : The nature of the fund loan should be filled out as being a business transaction or necessary for short-term financing.

Note 5 : If the nature of a fund loan is a business transaction, the transaction amount should be filled in. The transaction amount refers to the transaction amount between the company lending the fund and the lending object in the most recent year.

Note 6 : If the nature of the loan is necessary for short-term financing, the reasons for the necessary loan and the purpose of the loan target should be specified, such as: repayment of loans, purchase of equipment, business turnover, etc.

Note 7 : The limit and total limit for fund lending to individual objects set by the company in accordance with the operating procedures for fund lending to others should be filled out, and the calculation method for fund lending to individual objects and total limit should be explained in the remarks column.

The limit for fund lending to individual objects is limited to 50% of the net worth of the company lending funds, and the total limit for fund lending is limited to 60% of the net worth of the company lending funds.

The fund lending limit for individual objects is limited to 30% of the company's net worth, and the total fund lending limit is limited to 40% of the company's net worth.

The limit for fund lending to individual objects is limited to 80% of the net worth of the company lending funds, and the total limit for fund lending is limited to 90% of the net worth of the company lending funds.

Note 8 : If a public company submits capital loans to the board of directors for resolution on a case-by-case basis in accordance with Article 14, Item 1, of the Guidelines for the Handling of Capital Loans, Endorsements, and Guarantees by Public Companies, even if no allocation has been made, the amount determined by the board of directors should be filled in.

Note 9: Offsetting is carried out due to the preparation of consolidated financial statements.

TABLE 2: ENDORSEMENTS/GUARANTEES PROVIDED

Unit: New Taiwan Dollars (Thousands)

No. (note 1)	Endorsement/Guarantee Provider	Guaranteed Party		Limits on Endorsement/Guarantee Amount Provided Each Guaranteed Party (note 3)	Maximum Balance for the Period (note 4)	Ending Balance (note 5)	Amount Actually Drawn (note 6)	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee Net Equity per Latest Financial Statements	Maximum Endorsement/Guarantee Amount Allowable (note 3)	Guarantee Provided by Parent Company (note 7)	Guarantee Provided by A Subsidiary (note 7)	Guarantee Provided to Subsidiaries	
		Name	Nature of Relationship (note 2)										In Mainland China (note 7)	Other Notes
0	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	TAI TUNG CO., LTD. (B.V.L.)	4	\$1,572,149	\$127,820 (USD4,000 thousands)	\$- (USD0 thousands)	\$- (USD0 thousands)	\$-	-	\$2,620,248	Y	-	-	(note 3)
0	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	I-SHENG MANUFACTURING(SONG)	4	\$1,572,149	\$450,400 (RMB100,000 thousands)	\$450,400 (RMB100,000 thousands)	\$- (USD0 thousands)	\$-	8.59	\$2,620,248	Y	-	Y	(note 3)
1	Year Sweep Limited (SAMOA)	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	4	\$1,469,715	200,000	\$-	\$-	\$-	-	\$2,449,525	-	Y	-	(note 3)

Note 1 : The business transactions between the parent company and its subsidiaries should be indicated separately in the number column. The method for filling in the number is as follows:

1. Issuer: 0
2. The invested companies are numbered sequentially starting with the Arabic numeral 1 by company type.

Note 2 : There are seven types of relationships between the endorser and the endorsee, and the type can be indicated:

- (1) A company with business contacts.
- (2) A company in which the company directly or indirectly holds more than 50% of the voting shares.
- (3) A company that directly or indirectly holds more than 50% of the voting shares in the company.
- (4) Between companies where the company directly or indirectly holds 90% or more of the voting shares.
- (5) A company that provides mutual insurance between its peers or co-contractors in accordance with contractual provisions for the purpose of contracting the project.
- (6) A company that is guaranteed by all the contributing shareholders in accordance with their shareholding ratio due to a joint investment relationship.
- (7) Joint and several guarantees for performance guarantees between peers engaged in pre-sale housing sales in accordance with the Consumer Protection Act.

Note 3: The company should fill in the limit and maximum limit of endorsements and guarantees set for individual objects in accordance with the procedures for endorsements and guarantees for others, and explain the calculation method for the individual objects and total limit of endorsements and guarantees in the remarks column.

- (1) The limit of endorsements and guarantees for a single overseas affiliated company shall not exceed 30% of the current net worth.
- (2) The total amount of external endorsements and guarantees shall not exceed 50% of the current net worth.

Note 4: The maximum balance of endorsements and guarantees for others in the current year.

Note 5: The amount approved by the board of directors should be filled in. However, where the board of directors authorizes the chairman to make a decision in accordance with Article 12, Subparagraph 8, of the Guidelines for the Handling of Loans, Endorsements, and Guarantees of Funds by Public Companies, the amount determined by the chairman shall mean the amount determined by the chairman.

Note 6: The actual amount of the endorsee/guarantor company's actual expenditure within the range of using the endorsee/guarantor balance should be entered.

Note 7: Only those who belong to the endorsement and guarantee of a parent company to a subsidiary, those who belong to the endorsement and guarantee of a subsidiary to a parent company, and those who belong to the endorsement certificate of a mainland region must fill in Y.

Note 9: Offsetting is carried out due to the preparation of consolidated financial statements.

TABLE 3: MARKETABLE SECURITIES HELD (EXCLUDES INVESTMENTS IN SUBSIDIARIES, AFFILIATED ENTERPRISES, AND JOINT VENTURES CONTROL):

Unit: New Taiwan Dollars (Thousands)

Held Company Name	Marketable Securities Type and Name (note 1)	Relationship with the Company (note 2)	Financial Statement Account	December 31st, 2025				Other Notes (note 4)
				Shares/Units	Carrying Value (note 3)	Percentage of Ownership	Fair Value	
I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	Share Certificate - DRAGONJET CORPORATION	None	Equity instrument investment measured at fair value through other comprehensive income - noncurrent	6,757,028	\$217,576	9.11%	\$217,576	
	Share Certificate - VSO ELECTRONICS CO., LTD.	None	"	1,236,164	147,104	3.15%	\$147,104	

Note 1: The securities referred to in this table refer to stocks, bonds, beneficiary certificates, and securities derived from the aforementioned items within the scope of International Financial Reporting Standards No. 9 "Financial Instruments".

Note 2: If the issuer of the securities is not a related party, this column is not required.

Note 3: For those measured by fair value, please fill in the book balance after fair value evaluation and adjustment and deduction of cumulative impairment in column B of book amount; If it is not measured at fair value, please fill in the book balance of original acquisition cost or amortized cost less accumulated impairment.

Note 4: The securities listed above have no restricted use due to providing guarantees, pledging loans, or other agreements.

Notes to I-Sheng Electric Wire & Cable Co., Ltd. And Its Subsidiaries Consolidated Financial Statements (Continued)

TABLE 4: THE AMOUNT OF GOODS PURCHASED OR SOLD WITH RELATED PARTIES THAT REACHES NT\$100 MILLION OR 20% MORE OF THE PAID-IN CAPITAL

Unit: New Taiwan Dollars (Thousands)

The Company of Purchased (Sales) Goods	Related Party	Nature of Relationship	Transaction				Differences and Reasons Between Transaction Conditions and General Transactions (note 1)		Note and Account Receivables (Payables)		Other Notes bills and accounts (note 2)
			chase (Sales) Go	Amount	Percentage of Total Purchased (Sales)	Credit Period	Unit Price	Credit Period	Balance	Accounts Receivable (Paid) Notes and Accounts	
I-SHENG MANUFACTURING(SONG GANG) FACTORY	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	Parent company	Sales	\$(1,213,749)	45.76	T/T90-180 days or offset with accounts payable	-	Equivalent to regular transactions	\$1,013,251	59.52	
I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	I-SHENG MANUFACTURING(SONG GANG) FACTORY	the equity method for our company	Purchase	1,213,794	44.81	T/T90-180 days or offset with accounts payable	-	"	(1,013,251)	62.82	
I-SHENG MANUFACTURING(SONG GANG) FACTORY	I-SHENG ELECTRIC WIRE & CABLE COMPANY (VIETNAM)	The same parent company	Sales	(258,789)	9.76	T/T90-180 days or offset with accounts payable	-	"	94,941	5.90	
I-SHENG ELECTRIC WIRE & CABLE COMPANY (VIETNAM)	I-SHENG MANUFACTURING(SONG GANG) FACTORY	The same parent company	Purchase	258,789	21.66	T/T90-180 days or offset with accounts payable	-	"	(94,941)	24.73	
DONGGUAN DATONG WIRE CO., LTD	I-SHENG MANUFACTURING(SONG GANG) FACTORY	The same parent company	Sales	(278,326)	43.37	T/T90-180 days or offset with accounts payable	-	"	142,230	49.90	
I-SHENG MANUFACTURING(SONG GANG) FACTORY	DONGGUAN DATONG WIRE CO., LTD	The same parent company	Purchase	278,326	15.32	T/T90-180 days or offset with accounts payable	-	"	(142,230)	40.97	
I-SHENG ELECTRONICS(KUNSHAN) CO.,LTD.	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	Parent company	Sales	(425,786)	21.70	T/T90-180 days or offset with accounts payable	-	"	469,584	91.65	
I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	I-SHENG ELECTRONICS(KUNSHAN) CO.,LTD.	the equity method for our company	Purchase	425,786	15.72	T/T90-180 days or offset with accounts payable	-	"	(469,584)	29.49	

Note 1: If the trading conditions of related parties are different from general trading conditions, the situation and reasons for the differences should be described in the unit price and credit period fields.

Note 2: If there is a situation of advance receipt (payment) of funds, the reason, contractual terms, amount, and differences from the general transaction format should be stated in the remarks column.

Note 3: Paid-in capital refers to the paid-in capital of the parent company. If the issuer's stock has no denomination or the denomination per share is not NT\$10, the trading amount of 20% of the paid-in capital shall be calculated based on 10% of the equity attributable to the parent company's owners on the balance sheet.

Note 4: Offsetting is carried out due to the preparation of consolidated financial statements.

TABLE 5 : TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

Unit: New Taiwan Dollars (Thousands)

Company Name	Related Party	Nature of Relationship	Ending Balance (note 1)	Turnover Days	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
I-SHENG MANUFACTURING(SONG GANG) FACTORY	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	Parent company	Accounts receivable from related parties \$1,013,251	4.89	-	-	\$169,832 (As of 2026.02.28)	-
DONGGUAN DATONG WIRE CO., LTD.	I-SHENG MANUFACTURING(SONG GANG) FACTORY	The same parent company	Accounts receivable from related parties \$142,230	7.44	-	-	\$25,714 (As of 2026.02.28)	-
I-SHENG ELECTRONICS(KUNSHAN) CO.,LTD.	MASTER LAKE INT'L LIMITED (B.V.I)	The same parent company	Accounts receivable from related parties \$254,152	7.37	-	-	\$59,770 (As of 2025.02.28)	-
MASTER LAKE INT'L LIMITED (B.V.I)	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	Parent company	Accounts receivable from related parties \$469,584	0.00	-	-	\$64,890 (As of 2025.02.28)	-
I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	I SHENG ELECTRIC WIRE & CABLE COMPANY (VIETNAM)	Subsidiaries evaluated using the equity method for our company	Other accounts receivable from related parties \$293,499	-	-	-	\$- (As of 2025.02.28)	-
I-SHENG ELECTRONICS(KUNSHAN) CO.,LTD.	I-SHENG MANUFACTURING(SONG GANG) FACTORY	The same parent company	Other accounts receivable from related parties \$225,200	-	-	-	\$- (As of 2025.02.28)	-
MINHONG WIRE & CABLE (SHENZHEN) CO., LTD.	I-SHENG MANUFACTURING(SONG GANG) FACTORY	The same parent company	Other accounts receivable from related parties \$211,688	-	-	-	\$- (As of 2025.02.28)	-
YEAR SWEEP LIMITED (SAMOA)	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	Parent company	Other accounts receivable from related parties \$2,101,440	-	-	-	\$- (As of 2025.02.28)	-

Note 1: Please fill in the accounts receivable from related parties, bills, other receivables, etc. separately.

Note 2: Paid-in capital refers to the paid in capital of the parent company. If the issuer's stock has no denomination or the denomination per share is not NT \$10, the trading amount of 20% of the paid in capital shall be calculated based on 10% of the equity attributable to the parent company's owners on

Note 3: Offsetting is carried out due to the preparation of consolidated financial statements.

TABLE 6: BUSINESS RELATIONSHIPS AND IMPORTANT TRANSACTIONS BETWEEN PARENT COMPANY AND SUSIDIARIES

Unit: New Taiwan Dollars (Thousands)

No. (note 1)	Transaction	Counterparty	Nature of Relationship (note 2)	Transaction Details			
				Account	Amount	Conditions	Proportion to Total Consolidated Revenue or Ratio of Total Assets (note 3)
2	I-SHENG ELECTRONICS(KUNSHAN) CO.,LTD.	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	2	Sales revenue	\$425,786	Calculated based on cost plus reasonable profit	5.64%
3	I-SHENG MANUFACTURING(SONG GANG) FACTORY	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	2	Sales revenue	1,213,794	Calculated based on cost plus reasonable profit	16.08%
3	I-SHENG MANUFACTURING(SONG GANG) FACTORY	I SHENG ELECTRIC WIRE & CABLE COMPANY (VIETNA	3	Sales revenue	258,789	Calculated based on cost plus reasonable profit	3.43%
4	DONGGUAN DATONG WIRE CO., LTD.	I-SHENG MANUFACTURING(SONG GANG) FACTORY	3	Sales revenue	278,326	Calculated based on cost plus reasonable profit	3.69%
1	MASTER LAKE INT'L LIMITED (B.V.I)	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	2	Accounts receivable related part	469,584		5.63%
3	I-SHENG MANUFACTURING(SONG GANG) FACTORY	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	2	Accounts receivable related part	1,013,251		12.14%
4	DONGGUAN DATONG WIRE CO., LTD.	I-SHENG MANUFACTURING(SONG GANG) FACTORY	3	Accounts receivable related part	142,230		1.70%
2	I-SHENG ELECTRONICS(KUNSHAN) CO.,LTD.	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	2	Accounts receivable related part	254,152		3.04%
0	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	I SHENG ELECTRIC WIRE & CABLE COMPANY (VIETNA	1	Other account receivables	293,499		3.52%
2	I-SHENG ELECTRONICS(KUNSHAN) CO.,LTD.	I-SHENG MANUFACTURING(SONG GANG) FACTORY	3	Other account receivables	225,200		5.19%
5	MINHONG WIRE & CABLE (SHENZHEN) CO., LTD.	I-SHENG MANUFACTURING(SONG GANG) FACTORY	3	Other account receivables	211,688		2.54%
6	YEAR SWEEP LIMITED(SAMOA)	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	2	Other account receivables	2,101,440		25.17%

Note 1: The business transactions between the parent company and its subsidiaries should be indicated separately in the number column. The method for filling in the number is as follows:

1. Issuer: 0
2. The invested companies are numbered sequentially starting with the Arabic numeral 1 by company type.

Note 2: There are three types of relationships with traders, and the type can be indicated:

1. Parent company to subsidiaries
2. Subsidiaries to parent company
3. Subsidiaries to subsidiaries

Note 3: The calculation of the ratio of transaction amount to the total revenue or total assets of the merger, if it belongs to the asset liability account, shall be based on the ratio of the er

Note 4: The important transactions in this table may be determined by the company based on the principle of materiality whether they need to be listed.

Unit: New Taiwan Dollars (Thousands)

TABLE 7: NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT

(Foreign currency is measured in dollar)

Investor Company	Investee Company (note 1, 2)	Location	Main Business and Products	Original Investment Amount		Balance as of December 31st, 2023			Net Income (Losses) of Share of Profit/Losses		Other notes
				December 31st, 2024	December 31st, 2023	Shares	Percentage of Ownership	Carrying Value	the Investee (note2(2))	of Investee (note2(3))	
ELECTRIC WIRE & CABLE CO., LTD.	MASTER LAKE INTL LIMITED (B.V.I.)	British Virgin Island	Trading of power cords and wires	\$1,600 (USD50,000)	\$1,600 (USD50,000)	50,000	100.00	\$263,910	\$-	\$-	
	YEAR SWEEP LIMITED (SAMOA)	Samoa	Proprietary company	669,361 (USD20,000,000)	669,361 (USD20,000,000)	20,000,000	100.00	4,899,050	223,698	223,698	
	WAYSBOOTH CO., LTD. (B.V.I.)	British Virgin Island	Proprietary company	63,266 (USD1,998,000)	63,266 (USD1,998,000)	1,700,000	100.00	1,281,338	278,708	278,708	
	I-SHENG (JAPAN) CO., LTD.	Japan	Trading of power cords and wires	364 (JPY1,000,000)	364 (JPY1,000,000)	1,000,000	100.00	-	-	-	
	I SHENG ELECTRIC WIRE & CABLE COMPANY (VIETNAM)	Vietnam	Trading of power cords and wires	111,179 (USD3,600,000)	111,179 (USD3,600,000)	3,600,000	100.00	717,788	125,519	125,519	
	TAI TUNG CO., LTD. (B.V.I.)	British Virgin Island	Proprietary company	268,630 (HKD49,500,000) (USD2,000,000)	268,630 (HKD49,500,000) (USD2,000,000)	5,000,000	100.00	757,236	78,105	78,105	
	I-SHENG COMPANY (BRASIL)	Brasil	Trading and manufacturing of power cords and wires	27,838 (USD 818,879) (BRL 322,060)	27,838 (USD 818,879) (BRL 322,060)	30,763,385	30.67	221,293	78,989	24,226	
	I SHENG VIET NAM TRADING AND SERVICE CO.,LTD	Vietnam	Trading of power cords, wire plug sets, and their components	319 (USD 10,000)	319 (USD 10,000)	10,000	100.00	846	45	45	
	ADMIRAL GLOBAL LTD(HK) GROUP.	HongKong	Proprietary company	562,187 (USD 17,351)	562,187 (USD 0)	17,351,467	36.37	513,262	(84,640)	(30,787)	

Note 1: If a public company has a foreign holding company and, in accordance with local laws and regulations, consolidations are the main financial statements, the disclosure of information about the foreign invested company may only be related to the holding company.

Note 2: For cases not listed in Note 1, fill in the following information:

(1) The columns of "Investee Company", "Location", "Main Businesses and Products", "Original Investment Amount", and "Closing Shareholding Situation" should be filled out in sequence based on the reinvestment situation of this (public offering) company and the reinvestment situation of each directly or indirectly controlled invested company, and the relationship between each invested company and this (public offering) company (if it is a subsidiary or a second-tier subsidiary) should be indicated in the remarks column.

(2) In the column of "Net Income (Losses) of the Investee", the amount of current profit or loss of each invested company should be filled in.

The column of "Share of Profits/Losses of Investee" only requires the amount of gains and losses recognized by the (public) company as direct reinvestment subsidiaries and each invested company evaluated using the equity method. The remaining amount may not

(3) be filled in. When filling in the "Recognize the current profit or loss amount of each subsidiary directly reinvested", it should be confirmed that the current profit or loss amount of each subsidiary has included the investment profit or loss that should be recognized according to regulations for reinvestment.

Note 3: Except for I-SHENG Company (BRASIL) and SMART KING ENTERPRISES LIMITED, the remaining amounts were offset due to the preparation of the consolidated financial statements.

TABLE 8: INFORMATION ON INVESTMENT IN MAINLAND CHINA

Unit: New Taiwan Dollars (Thousands)

Investee Company	Main Businesses and Products	Total Amount of Investment		Accumulated outflow of Investment from Taiwan (note 1)	Investment Flows		Accumulated Outflow Investment from Taiwan as of December 31st, 2022	Net Income of Investee Company	Percentage of Ownership	Share of Profits/Losses (note 2.(2).B)	Amount as of		Inward Remittance of December 31st, as of December 31st	Other Notes
		Paid-In Capital			Outflow	Inflow					December 31st, 2022	December 31st, 2022		
MINHONG WIRE & CABLE (SHENZHEN) CO., LTD.	Production and sales of wires, plug wires, connectors, plastic parts	\$207,339 (USD6,600 thousands)	(2)	\$207,339 (USD6,600 thousands)	\$-	\$-	\$207,339 (USD6,600 thousands)	\$4,995	100%	\$4,995	\$286,316		\$28,236	
I-SHENG ELECTRONICS(KUNSHAN) CO.,LTD.	"	\$458,659 (USD14,600 thousands)	(2)	\$458,659 (USD14,600 thousands)	-	-	\$458,659 (USD14,600 thousands)	132,582	100%	132,582	1,686,045		1,078,684	
I-SHENG MANUFACTURING(SONG GANG) FACTORY	"	\$201,700 (HKD50,000千元)	(2)	\$- (HKD0 thousands)	-	-	\$- (HKD0 thousands)	177,087	100%	177,087	1,270,904		530,017	
DONGGUAN DATONG WIRE CO., LTD.	PVC particles manufacturing and processing	\$67,771 (HKD16,800千元)	(2)	\$199,683 (HKD49,500千元) note4	-	-	\$199,683 (HKD49,500千元) note4	41,533	100%	41,533	312,262		225,871	

Accumulated Investment in Mainland China as of December 31st, 2024	Investment Commission, MO	Upper Limit on Investment (note 7)
\$850,350 (USD20,712 thousands) (HKD49,500 thousands)	\$1,136,738 (USD22,200 thousands) (HKD99,500 thousands) (RMB8,424 thousands)	\$3,178,141

Note 1: The investment methods can be divided into the following three types, and the type can be indicated:

- (1) Direct Investment in Mainland China
- (2) Reinvestment in mainland China through third-party companies (please indicate the investment company in that third-party region).
- (3) Other methods.

Note 2: Share of Profit or Losses:

- (1) If it is in preparation and there are no investment gains or losses, it should be noted
- (2) The recognition basis for investment gains and losses is divided into the following three types, which should be noted
 - A. Financial statements audited and certified by international accounting firms that have cooperative relationships with accounting firms in the Republic of China.
 - B. Financial statements audited and certified by a certified public accountant of the Taiwan parent company.
 - C. Others

Note 3: The relevant figures in this table should be presented in New Taiwan Dollars.

Note 4: The payment is made to the original shareholders of TAI TUNG CO., LTD. (B.V.I.).

Note 5: At the end of the current period, the cumulative investment amounts of USD 712,000 and RMB 4,000 remitted from Taiwan to mainland China, as well as the approved investment amount of RMB 842,400 by the Investment Review Committee of the Ministry of Economic Affairs. The company obtained a notice of approval for cancellation from the Dongguan Municipal State Taxation Bureau on April 19, 2016, and a notice of recordation from the Investment Review Committee of the Ministry of Economic Affairs on July 18, 2016; A

Note 6: At the end of the current period, the cumulative investment amount remitted from Taiwan to mainland China was USD 800 thousand, which belongs to the Taiwan parent company's investment in I-Sheng Manufacturing (Song Gang) Factory;

The company was liquidated on June 6, 2018 and obtained a notice of cancellation from the Shenzhen Municipal State Taxation Bureau on September 11, 2018; As of the date of the audit report, there has been no remittance or recovery of the investment amount.

Note 7: According to the third paragraph of the "Principles for Investment or Technical Cooperation Review in Mainland China" amended by the Ministry of Economic Affairs Order No. 10804600980 of March 12, 2019, the cumulative amount of investment by the

Note 8: Offsetting is carried out due to the preparation of consolidated financial statements.