Promate Electronic Co., Ltd.

Financial Statements for the
Years Ended December 31, 2025 and 2024 and
Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Promate Electronics Co. Ltd.

Opinion

We have audited the accompanying financial statements of Promate Electronics Co. Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2025 and 2024, and the Income Statement, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

<u>Occurrence of shipment with revenue gained from specific clients</u>

The Company specializes in trading distributed components, liquid crystal display products, and image processing IC. Based on the materiality and auditing standards, revenue recognition is presumed to be a significant risk. Therefore, the engaging parter believes that the existence of sales revenue with specific clients would materially affect the occurrence of the financial statement, which is the reason the audit team listed the occurrence of shipment with sales revenue from certain clients as the key audit matter of 2025 audit process. Refer to note 4(12) for more details of revenue recognitoin policy.

Our main audit procedures performed in respect of above matter include the following:

1. We understood the internal control procedures for revenue recognition and the relevant approval process followed by the Company's management.

2 We utlized audit sampling on specific clients' shipments, which we would verify the relevant documents and test the receivable collection to confirm the existence of sales transaction.

3 We ascertained sales returns and discounts that occurred after the balance sheet date, to ensure whether there is a material misstatement on sales revenue from specific clients in the Company's financial statement.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Nai-Hua Kuo and Jui Chuan Chih.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 2026

<u>Notice to Readers</u>

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

PROMATE ELECTRONIC CO., LTD.

BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024	
ASSETS	**Amount**	%	**Amount**	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6)	$ 2,019,908	14	$ 2,055,759	13
Financial assets at fair value through profit or loss - current (Notes7)	112	-	862	-
Notes receivable (Notes 9)	49,063	-	49,503	-
Accounts receivable (Notes 9)	4,381,568	31	4,686,857	31
Accounts receivable from related parties (Notes 9 and 30)	598,916	4	959,675	6
Other receivables (Notes 9)	1,621,040	12	1,869,516	12
Inventories (Notes 10)	3,629,529	26	3,501,891	23
Other current assets (Notes 15)	11,936	-	31,911	-
Total current assets	12,312,072	87	13,155,974	85
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 7)	7,649	-	1,176	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 8)	37,391	-	94,616	1
Investments accounted for using the equity method (Notes 11)	1,130,758	8	1,183,757	8
Property, plant and equipment (Notes 12 and 31)	305,051	2	308,791	2
Right-of-use assets (Notes 13)	24,156	-	20,273	-
Other intangible assets (Notes 14)	6,117	-	878	-
Deferred tax assets (Notes 25)	225,343	2	217,726	1
Prepayments for business facilities (Notes 15)	1,314	-	5,714	-
Refundable Deposits (Notes 15)	161,735	1	460,785	3
Total non-current assets	1,899,514	13	2,293,716	15
TOTAL	$ 14,211,586	100	$ 15,449,690	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16)	$ 3,122,384	22	$ 3,076,205	20
Short-term bills payable (Notes 16)	140,000	1	-	-
Contract liabilities - current (Notes 23)	102,530	1	154,497	1
Notes payable (Notes 18)	31	-	31	-
Accounts payable (Notes 18)	2,437,622	17	3,216,590	21
Accounts payable to related parties (Notes 18 and 30)	1,051	-	3,254	-
Other payables (Notes 19)	810,545	6	982,123	6
Other payables to related parties (Notes 19 and 30)	12,891	-	12,820	-
Current tax liabilities (Notes 25)	51,894	-	130,092	1
Provisions- current (Notes 20)	4,900	-	12,500	-
Lease liabilities - current (Notes 13)	8,072	-	8,870	-
Bonds payable due within one year or subject to put options（Note 17）	118,740	1	-	-
Other current liabilities (Note 19)	791,018	5	784,280	5
Total current liabilities	7,601,678	53	8,381,262	54
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - current (Notes 7)	100	-	195	-
Bonds Payable（Note 17）	-	-	130,045	1
Long-term borrowings (Notes 16)	200,000	2	100,000	1
Provisions- noncurrent (Notes 20)	10,100	-	9,500	-
Deferred tax liabilities (Notes 25)	24,268	-	50,770	-
Lease liabilities - noncurrent (Notes 13)	15,265	-	10,677	-
Net defined benefit liabilities - noncurrent (Notes 21)	26,829	-	27,492	-
Guarantee Deposits (Note 19)	125,720	1	360,635	3
Total non-current liabilities	402,282	3	689,314	5
Total liabilities	8,003,960	56	9,070,576	59
EQUITY (Notes 22)				
Share capital				
Ordinary shares	2,637,797	19	2,188,509	14
Capital surplus	1,670,854	12	1,663,564	11
Retained earnings				
Legal reserve	1,261,849	9	1,121,864	7
Legal reserve	23,674	-	28,489	-
Unappropriated earnings	698,695	5	1,400,363	9
Total retained earnings	1,984,218	14	2,550,716	16
Other equity	(85,243)	(1)	(23,675)	-
Total equity	6,207,626	44	6,379,114	41
TOTAL	$ 14,211,586	100	$ 15,449,690	100

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

PROMATE ELECTRONIC CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 23 and 30)	$ 27,382,551	100	$ 35,620,845	100
OPERATING COSTS				
OPERATING COSTS (Notes 10 and 30)	(25,517,168)	(93)	(33,272,868)	(93)
GROSS PROFIT	1,865,383	7	2,347,977	7
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	450	-	(203)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	203	-	1,779	-
REALIZED GROSS PROFIT	1,866,036	7	2,349,553	7
OPERATING EXPENSES (Notes 24 and 30)				
Selling and marketing expenses	(688,351)	(3)	(861,097)	(3)
General and administrative expenses	(124,889)	-	(126,436)	-
Research and development expenses	(28,782)	-	(24,396)	-
Total operating expenses	(842,022)	(3)	(1,011,929)	(3)
OPERATING PROFIT	1,024,014	4	1,337,624	4
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 30)				
Interest income	13,714	-	17,942	-
Other income- others	25,734	-	20,778	-
Other gains and losses	(252,330)	(1)	287,008	1
Finance costs	(168,001)	(1)	(241,876)	(1)
Share of profit (loss) of associates accounted for using equity method	212,499	1	261,183	1
Total non-operating income and expenses	(168,384)	(1)	345,035	1
PROFIT BEFORE INCOME TAX	855,630	3	1,682,659	5
INCOME TAX EXPENSE (Notes 25)	(136,400)	(1)	(283,987)	(1)
NET PROFIT FOR THE PERIOD	719,230	2	1,398,672	4
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	290	-	235	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(63,012)	-	3,634	-
Share of other comprehensive gain of subsidiaries accounted for using the equity method	(30,577)	-	(554)	-

	2025		2024	
	Amount	**%**	**Amount**	**%**
Income tax relating to items that will not be reclassified subsequently to profit or loss	10,717	-	(1,965)	-
	(82,582)	-	1,350	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	617	-	4,313	-
Share of other comprehensive gain of subsidiaries accounted for using the equity method	(1,370)	-	1,188	-
Income tax relating to items that may be reclassified subsequently to profit or loss	(123)	-	(863)	-
	(876)	-	4,638	-
Other comprehensive income (loss) for the period, net of income tax	(83,458)	-	5,988	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 635,772	2	$ 1,404,660	4
EARNINGS PER SHARE (Note 26)				
Basic	$ 2.73		$ 5.38	
Diluted	$ 2.70		$ 5.23	

The accompanying notes are an integral part of the financial statements. (Concluded)

PROMATE ELECTRONIC CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company								
	Issued Capital			Retained Earnings			Other Equity		
	Shares (Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operation	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2024	212,431	$ 2,124,314	$ 1,394,116	$ 1,037,136	$ 16,424	$ 849,167	($ 4,319)	($ 24,170)	$ 5,392,668
Appropriation of 2023 earnings									
Special reserve	-	-	-	84,728	-	(84,728)	-	-	-
Special reserve	-	-	-	-	12,065	(12,065)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(751,857)	-	-	(751,857)
Conversion of convertible bonds to common stock	6,420	64,195	269,432	-	-	-	-	-	333,627
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	9	-	-	-	-	-	9
Disposal of funds forfeited from employee stock ownership trusts	-	-	7	-	-	-	-	-	7
Net profit for the year ended December 31, 2024	-	-	-	-	-	1,398,672	-	-	1,398,672
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	1,174	3,365	1,449	5,988
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	1,399,846	3,365	1,449	1,404,660
BALANCE AT DECEMBER 31, 2024	218,851	2,188,509	1,663,564	1,121,864	28,489	1,400,363	(954)	(22,721)	6,379,114
Appropriation of 2024 earnings									
Special reserve	-	-	-	139,985	-	(139,985)	-	-	-
Special reserve	-	-	-	-	(4,815)	4,815	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(876,144)	-	-	(876,144)
Stock dividends distributed by the Company	38,769	387,694	-	-	-	(387,694)	-	-	-
Conversion of convertible bonds to common stock	279	2,786	10,642	-	-	-	-	-	13,428
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	124	-	-	-	-	-	124
Stock dividends distributed from capital surplus	5,038	50,378	(50,378)	-	-	-	-	-	-
Disposal of funds forfeited from employee stock ownership trusts	-	-	297	-	-	-	-	-	297
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	(22,011)	-	22,011	-
Changes in the ownership and equity of subsidiaries	-	-	5,045	-	-	-	-	-	5,045
Stock dividends from employee compensation	843	8,430	41,560	-	-	-	-	-	49,990
Net profit for the year ended December 31, 2025	-	-	-	-	-	719,230	-	-	719,230
Other comprehensive income (loss) f for the the year ended December 31, 2025	-	-	-	-	-	121	386	(83,965)	(83,458)
Total comprehensive income (loss) for t the year ended December 31, 2025	-	-	-	-	-	719,351	386	(83,965)	635,772
BALANCE AT DECEMBER 31, 2025	263,780	$ 2,637,797	$ 1,670,854	$ 1,261,849	$ 23,674	$ 698,695	($ 568)	($ 84,675)	$ 6,207,626

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

PROMATE ELECTRONIC CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 855,630	$ 1,682,659
Adjustments for:		
Expected loss (reversal) on credit impairment	(16,000)	32,000
Depreciation expenses	23,707	25,355
Amortization expenses	534	856
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	16,591	(1,921)
Finance costs	168,001	241,876
Interest income	(13,714)	(17,942)
Dividend income	(446)	(752)
Share of loss(profit) of associates accounted for using the equity method	(212,499)	(261,183)
Loss (gain) on disposal of property, plant and equipment	(648)	-
Recovery gain on inventory impairment	(128,000)	(158,000)
Unrealized gain on transactions with associates and joint ventures	(450)	203
Realized gain on transactions with associates and joint ventures	(203)	(1,779)
Unrealized foreign exchange loss (gain)	(106,207)	(176,268)
Recognition of provisions	(7,000)	22,000
Impairment loss	5,233	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(22,409)	(1,022)
Decrease (increase) notes receivable	181	(19,019)
Decrease (increase) in accounts receivable	322,788	(329,751)
Decrease (increase) in accounts receivable due from related parties	360,294	55,679
Decrease (increase) in other receivable	249,043	310,584
Decrease (increase) in inventories	362	917,369
Decrease (increase) in other current assets	25,856	(6,862)
Increase (decrease) in contract liabilities	(51,967)	80,082
Increase (decrease) in notes payable	-	(33)
Increase (decrease) in accounts payable	(736,632)	(1,300,628)
Increase (decrease) in accounts payable to related parties	(2,157)	320
Increase (decrease) in other payable	(85,696)	214,440
Increase (decrease) in other payable to related parties	161	625
Increase (decrease) in net defined benefit liability	(373)	(511)
Increase (decrease) in other current liabilities	48,417	49,982
Cash generated from (used in) operations	$ 692,397	$ 1,358,359
Interest paid	(165,437)	(237,770)
Income tax paid	(238,123)	(207,668)
Net cash generated from (used in) operating activities	288,837	912,921

(Continued)

	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	($ 9,615)	$ -
Acquisition of financial assets at amortized cost	-	11,705
Proceeds from disposal of financial assets at amortized cost	-	(18,000)
Acquisitions of subsidiaries	-	(5,911)
Acquisition of property, plant and equipment	648	-
Proceeds from disposal of property, plant and equipment	248,690	283,955
Refundable deposits refunded	(5,773)	-
Increase in prepayments for business facilities	(12,276)	(5,788)
Interest received	13,714	17,942
Dividends received from subsidiaries and associates	238,585	25,329
Other dividends received	446	752
Net cash used in investing activities	474,419	309,984
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	41,185	-
Decrease in short-term loans	-	(2,354)
Inecrease in short-term notes and bills payable	140,000	-
Decrease in short-term notes and bills payable	-	(100,000)
Increase of long-term debt	200,000	100,000
Decrease of long-term debt	(100,000)	(100,000)
Guarantee deposits refunded	(195,180)	(195,572)
Payments of lease liabilities	(9,265)	(12,481)
Payments of cash dividends	(876,144)	(751,857)
Disposal of funds forfeited from employee stock ownership trusts	297	7
Net cash generated from financing activities	(799,107)	(1,062,257)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(35,851)	160,648
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,055,759	1,895,111
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 2,019,908	$ 2,055,759

The accompanying notes are an integral part of the financial statements. (Concluded)

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Promate Electronic Co., Ltd. (the "Company") is a listed company that was established in May, 1986. The Company is mainly engaged in the distribution and sales of electronic/electrical components, sales of computer software and electrical products, and sales of electronic/electrical components.

The Company conducted an IPO on the Taipei Exchange (TPEx) in September 2002, and its common shares were listed on the Taiwan Stock Exchange (TWSE) since May 2004.

After carefully evaluating the opportunities of the business unit as well as Promate Electronic as a whole, the Board of Directors concluded that creating a separate entity is the next reasonable step for the business. With two separate entities, Promate Electronic and Promate Solutions will have the flexibility and agility needed to pursue growth in a concentrated manner. Most importantly, this will enable each entity to serve customers more effectively and deliver values to shareholders.

As of August 1st, 2013, the Company is pleased to announce that this business unit will form a fully-owned subsidiary under Promate Solutions Corporation.

The functional currency of the Company is the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on March 11, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by Financial Supervisory Commission (FSC).

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company's accounting policies.

b. The IFRSs endorsed by FSC for application starting from 2026:

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

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

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC:

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

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

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

<u>IFRS 18 "Presentation and Disclosures in Financial Statements"</u>

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

1) To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

2) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

3) Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as 'other' only if it cannot find a more informative label.

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

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

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

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

As of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

When preparing its parent company only financial statements, the Company used equity method to account for its investment in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owner of the Company in its parent company only financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to investments accounted for by equity method, share of profit or loss of subsidiaries, share of other comprehensive income of subsidiaries and related equity items, as appropriate, in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period,; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument.

d. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

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

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting parent company only financial statements, the functional currencies of the Company and the Company (including subsidiaries that use currency different from the currency of the Company) are translated into the presentation currency - the New Taiwan dollar as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company’s entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of merchandise and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investment in subsidiaries

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

A subsidiary is an entity (including structured entity) that is controlled by the Company.

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

Changes in the Company’s ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company’s share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company’s net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

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

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions between subsidiaries is eliminated in full in the financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipments

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

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

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

h. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

i. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

The inventory, property, plant and equipment, and intangible assets related to customer contracts are first recognized as impairment in accordance with the inventory impairment regulations and the regulations above. Then, the carrying amount of the assets related to contract cost in excess of the expected amount of consideration received for the provision of the relevant goods or services less the direct relevant costs is recognized as an impairment loss. Subsequently, the carrying amount of the assets related to contract cost is included in the cashgenerating unit to which they belong to perform impairment assessment of the cash-generating unit.

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

j. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends on such financial assets are recognized in other income; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 29.

ii. Financial assets at amortized cost

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

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

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

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

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

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

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

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

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

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

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

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

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

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI and operating lease receivables.

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

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

For internal credit risk management purposes, the Company considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Company):

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

ii. Financial asset is more than 90 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

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

2) Equity instruments

Debt and equity instruments issued by an entity in the Company 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 issued by an entity in the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company’s own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the sale, purchase, issuance or cancellation of the Company’s own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method:

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at fair value through profit or loss when the financial liability is designated as at fair value through profit or loss

A financial liability may be designated as at FVTPL upon initial recognition when doing so results in more relevant information and if:

i. Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii. The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and has performance evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or

iii. The contract contains one or more embedded derivatives so that the entire combined contract (asset or liability) can be designated as at FVTPL.

For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income, and will not be subsequently reclassified to profit or loss. The remaining amount of changes in the fair value of that liability which incorporates any interest or dividends paid on such financial liability is presented in profit or loss. The gain or loss accumulated in other comprehensive income will be transferred to retained earnings when the financial liability is derecognized. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in the fair value of the liability are presented in profit or loss.

Fair value is determined in the manner described in Note 29.

b) Derecognition of financial liabilities

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

4) Convertible corporate bonds

The composite financial instruments (convertible corporate bonds) issued by the company are based on the substance of the contractual agreement and the definition of financial liabilities and equity instruments, and their components are classified into financial liabilities and equity at the time of initial recognition.

At the time of initial recognition, the fair value of the liability component is estimated at the prevailing market interest rate of similar non-convertible instruments, and measured at the amortized cost calculated using the effective interest method before the conversion or maturity date. The component of liability embedded in non-equity derivatives is measured at fair value.

The conversion right classified as equity is equal to the remaining amount of the overall fair value of the compound instrument minus the fair value of the separately determined liability component, which is recognized as equity after deducting the impact of income tax, and will not be measured in the future. When the conversion right is executed, the related liability component and the amount of equity will be transferred to equity and capital reserve—issuance premium. If the conversion right of convertible corporate bonds has not been executed on the maturity date, the amount recognized in equity will be transferred to capital reserve—issuance premium.

The transaction costs related to the issuance of convertible corporate bonds are allocated to the liabilities (included in the carrying amount of the liabilities) and equity components (included in equity) of the instrument in proportion to the total apportionment price.

5) Derivative financial instruments

Derivatives of the Company include redemption rights and put rights on convertible corporate bonds.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

k. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Warranty

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group's obligations.

l. Revenue recognition

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

1) Revenue from the sale of goods

The commodity sales revenue comes from the agency distribution of electronic components. Since the above products arrive at the customer's designated location or when the shipment is started, the customer has the contractually agreed price and the right to use the product and bears the main responsibility for resale, and bears the risk of obsolescence and obsolescence of the product, the Company recognizes at that point in time list income and accounts receivable. Advance receipts from sales are recognized as contract liabilities before the products arrive or depart.

2) Service revenue

Service revenue mainly comprises revenue from product design and logistic delivery service.

The Company recognizes revenue and trade receivables when the service is completed and customers simultaneously receive and consume the benefits provided by the Company's performance

m. Leasing

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

1) The Company as lessor

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms. Lease modification that resulted from a negotiation with a lessee is accounted for as a new lease from the effective date of modification.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost which comprises the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

n. Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

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

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

p. Taxation

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

1) Current tax

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

According to the Income Tax Law in the ROC, an additional tax of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

a、 Impairment of financial assets.

The provision for impairment of accounts receivable is based on assumptions on probability of default and loss given default. The Company uses judgement in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 9 to the financial statements.

b、 Impairment of inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and the historical experience from selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
Cash on hand	$ 316	$ 562
Checking accounts and demand deposits	1,925,302	2,055,197
Cash equivalents (investment with original maturities less than three months)		
Time deposits	94,290	-
	$ 2,019,908	$ 2,055,759

The market rate intervals of cash in bank, at the end of the reporting period were as follows:

	December 31, 2025	December 31, 2024
Demand deposits	0.001%～3.65%	0.002%～4.2%
Time deposits	4.25%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2025	December 31, 2024
Financial assets at FVTPL - current		
Financial assets designated at FVTPL		
Derivative instruments (not under hedge accounting)		
Redemption option on convertible bonds (Note17)	$ 112	$ 862
Financial assets at FVTPL – non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Private Funds	$ 7,649	$ 1,176
Financial liabilities at FVTPL - current		
Financial liabilities designated at FVTPL		
Derivative instruments (not under hedge accounting)		
Put option on convertible bonds (Note17)	$ 100	$ 195

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments at FVTOCI:

	December 31, 2025	December 31, 2024
Non-current		
Domestic investments		
Listed shares		
HIGGSTEC Inc.	$ 13,531	$ 16,174
Tricorntech Corp.	2,050	2,160
Unlisted shares		
Blutech Inc.	-	600
Foreign investments		
Private Funds		
Esquarre IoT Landing Fund,L.P.	21,810	75,682
	$ 37,391	$ 94,616

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

According to the Q&A issued by the FSC, investments in limited partnership held after June 30, 2023 where the contract stipulates a limited duration is subject to the passing of the resolution of the partners' meeting for duration extensions. The Company elected not to retrospectively apply the Q&A "Classification of Investments in a Limited Partnership" issued by the Accounting Research and Development Foundation (ARDF), therefore the abovementioned investments remain classified as investments in equity instruments at FVTOCI.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

	December 31, 2025	December 31, 2024
Notes receivable- from operation		
At amortized cost		
Gross carrying amount	$ 49,063	$ 49,503
Less: Allowance for impairment loss	-	-
	$ 49,063	$ 49,503
Accounts receivables		
At amortized cost		
Gross carrying amount	$ 4,458,832	$ 4,780,121
Gross carrying amount- related parties	598,916	959,675
Less: Allowance for impairment loss	(77,264)	(93,264)
	$ 4,980,484	$ 5,646,532
Overdue receivables		
At amortized cost		
Gross carrying amount	$ 13,942	$ 13,942
Less: Allowance for impairment loss	(13,942)	(13,942)
	$ -	$ -
Other receivables		
Retention Receivable from Factoring of Accounts Receivable	$ 1,520,555	$ 1,757,191
Tax refund receivables	88,442	100,682
Others	12,043	11,643
	$ 1,621,040	$ 1,869,516

a. Notes Receivable and Accounts Receivables

The average credit period of the sales of goods was 90-150 days. No interest was charged on accounts receivables. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual accounts debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Company measures the loss allowance for all accounts receivables at an amount equal to lifetime ECLs. The expected credit losses on accounts receivables are estimated using an allowance matrix, which takes into consideration the historical credit loss experience with the respective debtor, the current financial position of the debtor, and the current and future economic conditions of the industry as well as the overall economy. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

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

The following table details the loss allowance of notes receivables and accounts receivable based on the Company's provision matrix.

December 31, 2025

	Not Past Due	Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.50%~1%	0.50%~31.90%	0.50%~45.82%	0.50%~55.38%	27.38%~100%	
Gross carrying amount	$ 4,524,111	$ 548,541	$ 32,962	$ 1,196	$ 13,943	$ 5,120,753
Loss allowance (Lifetime ECL)	(16,012)	(57,800)	(2,950)	(502)	(13,942)	(91,206)
Amortized cost	$ 4,508,099	$ 490,741	$ 30,012	$ 694	$ 1	$ 5,029,547

December 31, 2024

	Not Past Due	Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.01%~1%	0.01%~20.14%	0.01%~30.08%	0.01%~37.10%	100%	
Gross carrying amount	$ 5,017,127	$ 689,639	$ 57,150	$ 25,383	$ 13,942	$ 5,803,241
Loss allowance (Lifetime ECL)	(30,662)	(49,190)	(6,587)	(6,825)	(13,942)	(107,206)
Amortized cost	$ 4,986,465	$ 640,449	$ 50,563	$ 18,558	$ -	$ 5,696,035

The movements of the loss allowance of accounts receivables and overdue receivables were as follows:

	For the Year Ended December 31	
	2025	2024
Beginning Balance	$ 107,206	$ 75,206
Add: Amount of expected loss recognized	-	32,000
Less: Amount of loss reversed	(16,000)	-
Ending Balance	$ 91,206	$ 107,206

The amounts and the details of the factoring agreements for accounts receivable of the Company are set out in Notes 29(e).

b. Others Receivables

In order to minimize credit risk, the management of the Company has assigned a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that appropriate action is taken to recover overdue other receivables. In addition, the Company reviews the recoverable amount of each individual other receivable on the balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts.

The Company recognizes adequate impairment when there is information indicating that the debtor is in severe financial difficulty without realistic prospect of recovery.

10. INVENTORIES

	December 31, 2025	December 31, 2024
Merchandise inventories	$ 3,629,529	$ 3,501,891

Operating cost summarized by nature is listed below.

	For the Year Ended December 31	
	2025	2024
Cost of Goods Sold	$ 25,645,037	$ 33,430,715
Recovery gain oon inventory impairment (1)	(128,000)	(158,000)
Write-off	131	153
	$ 25,517,168	$ 33,272,868

1) The reversal of inventory obsolescence losses was primarily due to the disposal of obsolete inventories by the Company.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2025	December 31, 2024
Investments in subsidiaries		
Promate Solutions Corporation.	$ 988,330	$ 1,028,681
CT Continental Corporation	49,585	54,475
FindingsTech Inc.,	705	15,258
PROMATE INTERNATIONAL CO., LTD.	56,465	52,469
HAPPY ON SUPPLY CHAIN MANAGEMENT LTD.	21,103	20,605
PROMATE ELECTRONICS COMPANY USA	12,298	12,269
Investment in associates		
Blutech Inc	2,272	-
	$ 1,130,758	$ 1,183,757

a. Investments in subsidiaries

	Proportion of Ownership (%)	
	December 31, 2025	December 31, 2024
Promate Solutions Corporation.	66.21%	66.21%
CT Continental Corporation	90%	90%
FindingsTech Inc.	100%	100%
PROMATE INTERNATIONAL CO., LTD.	100%	100%
HAPPY ON SUPPLY CHAIN MANAGEMENT LTD.	100%	100%
PROMATE ELECTRONICS COMPANY USA	100%	100%

Refer to Note 34 and Table 5 for the details of the subsidiaries indirectly held by the Company.

The investments in subsidiaries accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2025 and 2024 was based on the subsidiaries' financial statements which have been audited for the same years.

b. Investments in associates:

Associates that are not individually material is as below:

	Proportion of Ownership (%)	
	December 31, 2025	December 31, 2024
The Company's share		
Net income for the period	($ 1,556)	$ -
Total comprehensive income for the period.	($ 1,556)	$ -

In January 2025, the Company participated in the cash capital increase of Boseco Intelligence Co., Ltd., increasing its investment by NT$9,615 thousand and its shareholding from 4.35% to 15.63%. The Company also serves as a corporate director of the investee. As the Company has significant influence over the investee, the investment is accounted for using the equity method.

12. PROPERTY, PLANT AND EQUIPMENT

Assets used by the Company

	Freehold Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Miscellaneous Equipment	Total
Cost							
Balance on January 1, 2025	$ 205,987	$ 158,942	$ 10,883	$ 10,341	$ 35,559	$ 28,922	$ 450,634
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	(4,286)	-	-	(4,286)
Reclassifications	-	-	517	-	5,153	5,125	10,795
Balance on December 31, 2025	$ 205,987	$ 158,942	$ 11,400	$ 6,055	$ 40,712	$ 34,047	$ 457,143
Accumulated depreciation							
Balance at January 1, 2025	$ -	$ 77,226	$ 10,470	$ 9,778	$ 25,078	$ 19,291	$ 141,843
Disposals	-	-	-	(4,286)	-	-	(4,286)
Depreciation expense	-	5,117	199	285	1,997	6,937	14,535
Balance on December 31, 2025	$ -	$ 82,343	$ 10,669	$ 5,777	$ 27,075	$ 26,228	$ 152,092
Carrying amount on December 31, 2025	$ 205,987	$ 76,599	$ 731	$ 278	$ 13,637	$ 7,819	$ 305,051
Cost							
Balance on January 1, 2024	$ 205,987	$ 158,942	$ 11,574	$ 10,341	$ 35,267	$ 23,303	$ 445,414
Additions	-	-	-	-	292	5,619	5,911
Disposals	-	-	(691)	-	-	-	(691)
Balance on December 31, 2024	$ 205,987	$ 158,942	$ 10,883	$ 10,341	$ 35,559	$ 28,922	$ 450,634
Accumulated depreciation							
Balance at January 1, 2024	$ -	$ 72,108	$ 11,001	$ 9,486	$ 23,463	$ 13,388	$ 129,446
Depreciation expense	-	-	(691)	-	-	-	(691)
Disposals	-	5,118	160	292	1,615	5,903	13,088
Balance on December 31, 2024	$ -	$ 77,226	$ 10,470	$ 9,778	$ 25,078	$ 19,291	$ 141,843
Carrying amount on December 31, 2024	$ 205,987	$ 81,716	$ 413	$ 563	$ 10,481	$ 9,631	$ 308,791

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings- Office in Taiwan	61 years
Buildings- Plant in Taiwan	25-30 years
Machinery Equipment	10 years
Transportation Equipment	5 years
Office Equipment	3-10 years
Miscellaneous Equipment	3-20 years

Property, plant and equipment pledged as collateral for borrowings are set out in Note 31.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2025	December 31, 2024
Carrying amounts		
Buildings	$ 21,380	$ 18,764
Transportation equipment	2,776	1,509
	$ 24,156	$ 20,273

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets		
Buildings	$ 14,993	$ 11,656
Transportation equipment	2,605	1,675
	$ 17,598	$ 13,331
Depreciation charge for right-of-use assets		
Buildings	$ 7,834	$ 9,929
Transportation equipment	1,338	2,338
	$ 9,172	$ 12,267

Except for the aforementioned addition and recognized depreciation, the Company did not have impairment of right-of-use assets for the years ended December 31, 2025 and 2024.

b. Lease liabilities

	December 31, 2025	December 31, 2024
Carrying amounts		
Current	$ 8,072	$ 8,870
Non-current	$ 15,265	$ 10,677

Range of discount rate for lease liabilities was as follows:

	December 31, 2025	December 31, 2024
Buildings	3%	3%
Transportation equipment	5.69%	5.69%

c. Material lease-in activities and terms

The Company leased a number of cars for use by business personnel or warehouse personnel for 3 years. The lease contracts for these cars do not contain terms for the right of renewal or the right of purchase.

The Company also leased certain buildings for use as plant and office for a period 2 to 5 years. The lease contracts for offices located in Taiwan specify that the lease payments will be adjusted by customer price index each year. The Company does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor’s consent.

d. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to low-value asset leases	$ 3,201	$ 654
Total cash outflow for lease	($ 12,466)	($ 13,135)

The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. OTHER INTANGIBLE ASSETS

	Computer Software
Cost	
Balance on January 1, 2025	$ 7,680
Addition	5,773
Disposals	(2,523)
Balance on December 31, 2025	$ 10,930
Accumulated amortization	
Balance on January 1, 2025	$ 6,802
Amortization expense	534
Disposals	(2,523)
Balance on December 31, 2025	$ 4,813
Carrying amount on December 31, 2025	$ 6,117
Cost	
Balance on January 1, 2024	$ 7,680
Balance on December 31, 2024	$ 7,680
Accumulated amortization	
Balance on January 1, 2024	$ 5,946
Amortization expense	856
Balance on December 31, 2024	$ 6,802
Carrying amount on December 31, 2024	$ 878

Other intangible assets were amortized on a straight-line basis over their estimated useful lives as follows:

Computer Software	2～3 years

Amortization expenses summarized by function are as below.

	For the Year Ended December 31	
	2025	2024
General and administrative expenses	$ 344	$ 646
Research and development expenses	190	210
	$ 534	$ 856

15. OTHER ASSETS

	December 31, 2025	December 31, 2024
Current		
Prepayments	$ 11,797	$ 31,406
Others	139	505
	$ 11,936	$ 31,911
Non-current		
Prepayments for business facilities	$ 1,314	$ 5,714
Refundable deposits	161,735	460,785
	$ 163,049	$ 466,499

Refundable deposits

Refundable deposits are mainly paid to suppliers as performance bond.

16. BORROWINGS

a. Short-term borrowings

	December 31, 2025	December 31, 2024
Secured borrowings		
Bank loans (1)	$ 2,105,000	$ 2,650,000
Bank loans - letters of credit (2)	1,017,384	426,205
	$ 3,122,384	$ 3,076,205

1) The effective weighted average interest rates for bank loans ranged from 0.88%～1.98% and 1.85%～1.92% per annum as of December 31, 2025 and 2024, respectively.

2) The effective weighted average interest rate for letters of credit loans was 1.85%~4.61% and 5.11%~5.34% per annum as of S December 31, 2025 and 2024, respectively.

b. Short-term bills payable

	December 31, 2025	December 31, 2024
Commercial paper	$ 140,000	$ -
Less: Unamortized discount on bills payable	-	-
	$ 140,000	$ -

Outstanding short-term bills payable were as follows:

December 31, 2025

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest rates	Collateral	The Carrying Value of Collateral
Commercial papers						
Taiwan Finance Corporation	$ 80,000	$ -	$ 80,000	1.95%	None	$ -
Mega Bills Finance Co., Ltd	60,000	-	60,000	1.95%	None	-
	$140,000	$ -	$140,000			$ -

c. Long-term borrowings

	December 31, 2025	December 31, 2024
Secured borrowings (Note 31)		
Bank loans	$ 200,000	$ 100,000

The bank loan is secured by the Group's own land and buildings (refer to Note 31). The maturity dates of the 2025 loan are June 30, 2027 and November 27, 2027, respectively. The maturity date of the 2024 loan is August 30, 2026, as of December 31, 2025 and 2024, the effective annual interest rates are 1.88% and 1.98%, respectively.

17. Convertible Bond

	December 31, 2025	December 31, 2024
Domestic unsecured convertible bonds	$ 124,800	$ 139,100
Less：Discounts on bonds payable	(6,060)	(9,055)
	$ 118,740	$ 130,045
Less: Current portion	(118,740)	-
	$ -	$ 130,045

Unsecured Domestic Convertible Bonds - Fourth Issue

On November 10, 2023, the Company issued the fourth domestic unsecured convertible bonds in Taiwan, with an aggregate principal amount of $500,000 thousand and a face value of 100 thousand per bond certificate. In addition, the bond is publicly underwritten by bidding auction, and the issuance price is face value multiplied by 101%. The annual interest rate of the issuance coupon is 0%, the issuance period is five years, and the maturity date is November 10, 2028.

The major terms are as follows:

a. In the period of circulation from three months after the issuance of the convertible corporate bonds to forty business days before the maturity of the bonds, the Company may notify the bondholders under the conversion measures and redeem all bonds in cash at the nominal amount when the agreed conditions are met.

b. The bondholders have the right to request the Company to repurchase the bonds at a price equal to the face value, plus interest compensation three and four years after the issuance date.

The annual interest rates for the redemption are 100.7519% and 101.0038% for three and four years after the issuance date, respectively

c. The bondholders may request the Company to convert the bonds into the Company's ordinary shares at any time within the period from the following day after three months from the issuance date to maturity date.

d. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. The conversion price at issuance was NT$ 56.65.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - option. The effective interest rate of the liability component was 1.76% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $5,120 thousand)	$ 499,880
Equity component (less transaction costs allocated to the equity component of $410 thousand)	(39,990)
Put right	(1,650)
Redemption right	100
Liability component on the date of issuance (less transaction costs allocated to the liability component of $4,710 thousand)	458,340
Interest charged at an effective interest rate of 1.74%	998
Liability component on January 1, 2024	459,338
Interest charged at an effective interest rate of 1.76%	4,334
Conversion of corporate bond payable into common shares	(333,627)
Liability component on December 31, 2024	130,045
Interest charged at an effective interest rate of 1.76%	2,123
Conversion of corporate bond payable into common shares	(13,428)
Liability component on December 31, 2025	$ 118,740

18. NOTES AND ACCOUNTS PAYABLE

	December 31, 2025	December 31, 2024
Notes payable		
Non-trade	$ 31	$ 31
Accounts payable		
Trade	$ 2,437,622	$ 3,216,590
Trade - related parties	$ 1,051	$ 3,254

The average credit period for purchases of goods was between 30-120 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. OTHER LIABILITIES

	December 31, 2025	December 31, 2024
Current		
Other payables		
Accrued commissions	$ 67,121	$ 131,461
Payables for salaries or bonuses	86,000	167,000
Payables for compensation of employees and remuneration of directors	13,000	13,000
Payables for annual leave s	38,672	11,793
Accrued freights	519	519
Payables for dividends	8,653	8,212
Accrued Interests	596,580	650,138
Others	$ 810,545	$ 982,123
	$ 67,121	$ 131,461
Other payables - related parties		
Accrued freights	$ 12,891	$ 12,820
Others		
Refund liability (1)	$ 784,961	$ 779,284
Others	6,057	4,996
	$ 791,018	$ 784,280
Non-current		
Other liabilities		
Guarantee deposits(2)	$ 125,720	$ 360,635

1) Refund liabilities for sales return and discounts is based on historical experience, management's judgments and other known reasons for which estimated product returns and rebates may occur in the reporting period. Refund liabilities are recognized as a reduction of operating income in the periods in which the related goods are sold.

2) Guarantee deposits.

Guarantee deposits are mainly collected from customers.

20. PROVISIONS

	December 31, 2025	December 31, 2024
Current		
Warranties	$ 4,900	$ 12,500
Non-current		
Warranties	$ 10,100	$ 9,500

	Warranties	
	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Beginning Balance	$ 22,000	$ -
Additions	-	22,000
Reversal	(7,000)	-
Ending Balance	$ 15,000	$ 22,000

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under sale of goods legislation. The estimate had been made on the basis of historic warranty trends, and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company has pension plans under the Labor Pension Act (LPA), which are state-managed defined contribution plans. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Law are operated by the government of the Republic of China (ROC). Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

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

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	$ 57,012	$ 55,750
Fair value of plan assets	(30,183)	(28,258)
Net defined benefit liabilities (assets)	$ 26,829	$ 27,492

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Fair Value of the Plan Assets
Balance on January 1, 2025	$ 55,750	($ 28,258)	$ 27,492
Service cost			
Service cost of current period	171	-	171
Net interest expense (income)	836	(431)	405
Recognized in loss (profit)	1,007	(431)	576
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(2,009)	(2,009)
Actuarial loss			
– changes in financial assumptions	939	-	939
– experience adjustments	780	-	780
Recognized in other comprehensive loss (gain)	1,719	(2,009)	(290)
Contributions from employer	-	(949)	(949)
Benefits paid	(1,464)	1,464	-
Balance on December 31, 2025	$ 57,012	($ 30,183)	$ 26,829
Balance on January 1, 2024	$ 53,895	($ 25,657)	$ 28,238
Service cost			
Service cost of current period	151	-	151
Net interest expense (income)	606	(294)	312
Recognized in loss (profit)	757	(294)	463

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Fair Value of the Plan Assets
Remeasurement			
Return on plan assets (other than amounts included in net interest)	$ -	($ 2,293)	($ 2,293)
Actuarial loss			
– changes in financial assumptions	(1,572)	-	(1,572)
– experience adjustments	3,630	-	3,630
Recognized in other comprehensive loss (gain)	2,058	(2,293)	(235)
Contributions from employer	-	(974)	(974)
Benefits paid	(960)	960	-
Balance on December 31, 2024	$ 55,750	($ 28,258)	$ 27,492

The amount recognized as profit or loss for the defined benefit plan is summarized by function as follows:

	For the Year Ended December 31	
	2025	2024
Selling and marketing expenses	$ 418	$ 330
General and administrative expenses	158	133
	$ 576	$ 463

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

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

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

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

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

	December 31, 2025	December 31, 2024
Discount rate(s)	1.250%	1.500%
Expected rate(s) of salary increase	2.250%	2.250%

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

	December 31, 2025	December 31, 2024
Discount rate(s)		
0.25% increase	($ 939)	($ 1,010)
0.25% decrease	$ 968	$ 1,040

	December 31, 2025	December 31, 2024
Expected rate(s) of salary increase		
0.25% increase	$ 943	$ 1,016
0.25% decrease	($ 919)	($ 991)

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

	December 31, 2025	December 31, 2024
The expected contributions to the plan for the next year	$ 949	$ 1,005
The average duration of the defined benefit obligation	6.7 Years	7.4 Years

22. Equity

a. Share capital

Common stock

	December 31, 2025	December 31, 2024
Number of shares authorized (in thousands)	300,000	300,000
Shares authorized	$ 3,000,000	$ 3,000,000
Number of shares issued and fully paid (in thousands)	263,780	218,851
Shares issued	$ 2,637,797	$ 2,188,509

The change in the Company’s share capital is mainly due to the conversion of convertible bonds for the year ended December 31, 2024. As of December 31, 2024, the balance included share capital received in advance of NT$1,100 thousand. The Company completed the related capital registration with the Ministry of Economic Affairs on April 1, 2025.

The change in the Company’s share capital is mainly due to attributable to stock dividends distributed from retained earnings and capital surplus for the year ended December 31, 2025.

On May 28, 2025, the AGM resolved to increase the capital from earnings for NT$387,694 thousands, from capital surplus for NT$50,378 thousands and from the employees’ remuneration for NT$8,430 thousands by issuing new shares for totaling 44,650 thousand shares. The said capital increase has been reported to and approved by Securities and Futures Bureau, Financial Supervisory Commission on July June 18, 2025. Subsequently, the Board of Directors resolved to set August 2, 2025, as the base date of the capital increase, and the registration of the capital change was completed on September 17, 2025.

b. Capital surplus

	December 31, 2025	December 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 291,960	$ 291,960
Conversion of employee stock options	66,208	66,208
Employee stock dividend	41,560	-
Conversion of bonds	1,442,563	1,430,777
The difference between the consideration received or paid and the carrying amount of the subsidiaries’ net assets during actual disposal of acquisition	45,604	45,604
Forfeited share options	400	400
Disposal of funds forfeited from employee stock ownership trusts	304	7
Less: transfer to capital	(317,577)	(267,199)
Less: cash dividends paid	(73,408)	(73,408)

	December 31, 2025	December 31, 2024
Less: Treasury stock cancellation	(9,461)	(9,461)
	1,488,153	1,484,888
May be used to offset a deficit only		
Changes in percentage of ownership interest in subsidiaries (2)	171,337	166,292
From share of changes in equities of associates	133	9
	171,470	166,301
May not be used for any purpose		
Employee share options	1,250	1,250
Share options on Convertible Bond	9,981	11,125
	11,231	12,375
	$ 1,670,854	$ 1,663,564

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration of directors after amendment, refer to employees' compensation and remuneration of directors in Note 24, g.

The Company's dividend policy is formulated according to the Company's capital budget, mid- and long-term operational planning and financial status, as well as by reference to the general level of dividends in the industry and capital markets as the basis for dividend policy. Related earnings can be distributed in the form of stock dividends or cash dividends. However, the percentage of cash dividends shall not be less than 20% of the total dividends. The percentage of cash dividends will be increased when future earnings and funds are more abundant.

A legal reserve should be appropriated from earnings until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset any deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company's shareholders' meeting resolved in June 15, 2022 to amend the Articles to appropriate special reserve from the balance of retained earnings of the prior period against "the cumulative net decrease of other equity in the prior period". If the amount of retained earnings of the prior period is not enough for such appropriation, the Company should further make up the gap by the net profit after tax and the balances of other equity items of current period. Before amending the Articles, the Company appropriated by law from retained earnings of the prior period.

The appropriations of earnings for 2024 and 2023 which have been approved in the shareholders' meetings on May 28, 2025 and May 28, 2024, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2024	2023
Legal reserve	$ 139,985	$ 84,728
Special reserve (Reversal)	($ 4,815)	$ 12,065
Cash dividends	$ 876,144	$ 751,857
Stock dividends	$ 387,694	$ -
Cash dividends per share (NT$)	$ 4.00	$ 3.50
Stock dividends per share (NT$)	$ 1.77	$ -

Pursuant to a resolution adopted at the shareholders' meeting on May 28, 2025, the Company approved a capital increase of NT$50,378 thousand through the capitalization of capital surplus.

The appropriation of earnings for 2025 will be resolved by the shareholders in their meeting to be held on May 28, 2026.

d. Special reserves

	For the Year Ended December 31	
	2025	2024
Beginning Balance	$ 28,489	$ 16,424
Appropriations (reversal) of special reserves		
In respect of debits to other equity items	-	12,065
Reversal of special reserves		
In respect of debits to other equity items	(4,815)	-
Ending Balance	$ 23,674	$ 28,489

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2025	2024
Beginning Balance	($ 954)	($ 4,319)
Recognized for the period		
Exchange differences arising on translating the financial statements of foreign operations	494	3,450
Share from associates accounted for using the equity method	(108)	(85)
Other comprehensive income recognized for the period	386	3,365
Ending Balance	($ 568)	($ 954)

2) Unrealized gain or loss on Financial Assets at FVTOCI

	For the Year Ended December 31	
	2025	2024
Beginning Balance	($ 22,721)	($ 24,170)
Recognized for the period		
Unrealized gain (loss) - equity instruments	(52,237)	1,716
Share from associates accounted for using the equity method	(31,728)	(267)
Other comprehensive income recognized for the period	(83,965)	1,449
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	22,011	-
Ending Balance	($ 84,675)	($ 22,721)

23. REVENUE

	For the Year Ended December 31	
	2025	2024
Revenue from contracts with customers		
Revenue from sale of goods	$ 27,374,929	$ 35,612,507
Revenue from NRE	1,346	398
	27,376,275	35,612,905
Other operating income		
Service revenue	6,276	7,940
	$ 27,382,551	$ 35,620,845

a. Revenue from contracts with customers

Revenue from the sale of goods

Revenue from the sale of goods mainly comes from the distribution of electronic components. Goods are categorized into electronic components (application-specific and LCD display products, linear/distributed components, application-specific and image processing ICs) as well as embedded control systems, medical displays, and application-specific display modules (e.g., medical, factory automation, military, outdoor use, and sports equipment). The Company sells goods at the agreed prices stipulated in contracts, quotations or orders.

Service revenue

Service revenue mainly comprises from the NRE and logistic service; and revenue recognized at the agreed prices stipulated in contracts.

b. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes and Accounts receivables (Note 9)	$ 5,029,547	$ 5,696,035	$ 5,164,932
Contract liabilities			
Sale of goods	$ 102,530	$ 154,497	$ 74,415

The changes in the balance of contract liabilities primarily result from the timing difference between the Company’s performance and the respective customer’s payment.

c. Disaggregation of revenue

For the year ended December 31, 2025

	Reportable Segment					
	Application-specific and LCD Display Products	Linear/ Distributed Components	Image Processing ICs	Application-specific ICs	Others	Total
Types of goods or services						
Revenue from the sale of goods	$ 3,692,955	$ 9,986,845	$ 8,100,308	$ 4,013,793	$ 1,588,650	$27,382,551

For the year ended December 31, 2024

	Reportable Segment					
	Application-specific and LCD Display Products	Linear/ Distributed Components	Image Processing ICs	Application-specific ICs	Others	Total
Types of goods or services						
Revenue from the sale of goods	$ 3,356,286	$11,200,411	$ 7,266,206	$12,015,038	$ 1,782,904	$35,620,845

24. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS AND OTHER COMPREHENSIVE INCOME (LOSS)

a. Interest income

	For the Year Ended December 31	
	2025	2024
Interest Income		
Bank deposits	$ 13,666	$ 17,648
Financial assets at amortized cost	15	249
Imputed interest of deposit	33	45
	$ 13,714	$ 17,942

b. Other income

	For the Year Ended December 31	
	2025	2024
Rental income		
Other operating lease	$ 11,432	$ 13,502
Dividend Income		
Financial assets at FVTOCI	446	752
IT service revenue	2,440	2,440
Directors and supervisors' remuneration	2,063	1,667
Other	9,353	2,417
	$ 25,734	$ 20,778

c. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Gain (loss) on financial instruments		
Mandatorily measured at FVTPL	($ 16,591)	$ 1,921
Net foreign exchange gains (losses)	(211,734)	309,935
Gain (loss) on disposal of property, plant and equipment	648	-
Bank charge	(19,420)	(24,848)
Impairment loss	(5,233)	-
	($ 252,330)	$ 287,008

d. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	$ 165,124	$ 236,834
Interest on convertible corporate bond	2,123	4,334
Interest on lease liabilities	754	708
	$ 168,001	$ 241,876

e. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
An analysis of deprecation by function		
Operating costs	$ -	$ -
Operating expenses	23,707	25,355
	$ 23,707	$ 25,355

	For the Year Ended December 31	
	2025	2024
An analysis of amortization by function		
Operating costs	$ -	$ -
Operating expenses	534	856
	$ 534	$ 856

f. Employee benefits expense

	For the Year Ended December 31	
	2025	2024
Short-term benefits	$ 264,666	$ 428,826
Post-employment benefits		
Defined contribution plans	9,016	8,620
Defined benefit plans (Note 21)	576	463
	9,592	9,083
Other employee benefits	26,955	35,539
Total employee benefits expense	$ 301,213	$ 473,448
An analysis of employee benefits expense by function		
Operating costs	$ -	$ -
Operating expenses	301,213	473,448
	$ 301,213	$ 473,448

g. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation and remuneration of directors at the rates 7.5%-10% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company expects to resolve the amendments to the Company's Articles of Incorporation at its 2025 AGM. The amendments explicitly stipulate the allocation of no less than 7% of the compensation for its non-executive employees.

The compensation to employees (including compensation to non-executive employees) and remuneration to the directors of 2025 and 2024 were approved by the Company's board of directors on March 11, 2026 and March 12, 2025, respectively.

Accrual rate

	For the Year ended December 31	
	2025	2024
Employees' compensation	7.5%	7.5%
Remuneration of directors	1.5%	1.5%

Amount

	For the Year Ended December 31			
	2025		2024	
	Cash	Stock	Cash	Stock
Employees' compensation	$ 71,000	$ -	$ 90,010	$ 49,990
Remuneration of directors	$ 15,000	$ -	$ 27,000	$ -

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

The number of employee compensation shares for the years ended December 31, 2024 was 843 thousand shares, calculated by dividing the approved compensation amount by the closing price of NT$59.3 on the day before the Board resolution.

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

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

h. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2025	2024
Foreign exchange gains	$ 1,739,438	$ 1,930,744
Foreign exchange losses	(1,951,172)	(1,620,809)
Net foreign exchange gains and losses	($ 211,734)	$ 309,935

25. INCOME TAXES RELATING TO CONTINUING OPERATION

a. Income tax recognized in profit or loss

Major components of tax expense (income) recognized in profit or loss is as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current period	$ 156,178	$ 206,000
Income tax on unappropriated earnings	42	-
Adjustment for prior years	3,705	217
	159,925	206,217
Deferred tax		
In respect of the current period	(23,525)	77,770
Income tax expense recognized in profit or loss	$ 136,400	$ 283,987

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

	For the Year Ended December 31	
	2025	2024
Income before income tax	$ 855,630	$ 1,682,659
Income tax expense calculated at the statutory rate	$ 171,126	$ 336,532
Tax-exempt income	(38,473)	(52,762)
Income tax on unappropriated earnings	42	-
Adjustments for prior year	3,705	217
Income tax expense recognized in profit or loss	$ 136,400	$ 283,987

b. Income tax expense recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
Deferred tax		
In respect of current period		
Translating the financial statements of foreign operations	($ 123)	($ 863)
Unrealized gain on FVTOCI financial assets	10,775	(1,918)
Actuarial profit and loss of defined benefit plans	(58)	(47)
Income tax recognized in other comprehensive income (loss)	$ 10,594	($ 2,828)

c. Current tax assets and liabilities

	December 31, 2025	December 31, 2024
Current tax liabilities		
Income tax payable	$ 51,894	$ 130,092

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2025

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Deferred tax assets				
Temporary differences				
Impairment loss	$ 2,975	$ -	$ -	$ 2,975
Allowance for impairment loss	9,836	(1,835)	-	8,001
Allowance for write-down of inventories	47,642	(25,600)	-	22,042
Unrealized sales return and allowance	143,604	8,216	-	151,820
Unrealized gross profit	342	(131)	-	211
Unrealized foreign exchange loss	1,038	(1,038)	-	-
Defined benefit obligation	3,851	(75)	(58)	3,718
Exchange differences on translating foreign operations	103	-	(103)	-
Convertible bonds payable	1,066	425	-	1,491
Payable for annual leave	2,600	-	-	2,600
Unrealized purchase allowance	-	19,004	-	19,004
Financial instruments at FVTOCI	-	-	9,165	9,165
Provision	4,400	(1,400)	-	3,000
Others	269	1,047	-	1,316
	$ 217,726	($ 1,387)	$ 9,004	$ 225,343
Deferred tax liabilities				
Temporary differences				
Unappropriated Earnings from subsidiaries	($ 8,370)	($ 798)	$	($ 9,168)
Unrealized purchase allowance	(40,790)	40,790	-	-
Unrealized foreign exchange gain or loss	-	(15,080)	-	(15,080)
Financial instruments at FVTOCI	(1,610)	-	1,610	-
Exchange differences on translating foreign operations	-	-	(20)	(20)
	($ 50,770)	$ 24,912	$ 1,590	($ 24,268)

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Deferred tax assets				
Temporary differences				
Impairment loss	$ 2,975	$ -	$ -	$ 2,975
Allowance for impairment loss	4,562	5,274	-	9,836
Allowance for write-down of inventories	79,242	(31,600)	-	47,642
Unrealized sales return and allowance	131,414	12,190	-	143,604
Unrealized gross profit	657	(315)	-	342

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Unrealized foreign exchange loss	37,411	(36,373)	-	1,038
Defined benefit obligation	4,000	(102)	(47)	3,851
Exchange differences on translating foreign operations	966	-	(863)	103
Convertible bonds payable	199	867	-	1,066
Payable for annual leave	3,100	(500)	-	2,600
Financial instruments at FVTOCI	308	-	(308)	-
Provision	-	4,400		4,400
Others	269	-	-	269
	$ 265,103	($ 46,159)	($ 1,218)	$ 217,726
Deferred tax liabilities				
Temporary differences				
Unappropriated Earnings from subsidiaries	($ 8,361)	($ 9)	$ -	($ 8,370)
Unrealized purchase allowance	(9,188)	(31,602)	-	(40,790)
Financial instruments at FVTOCI	-	-	(1,610)	(1,610)
	($ 17,549)	($ 31,611)	($ 1,610)	($ 50,770)

e. Income tax assessments

The tax returns of the Company through 2023 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	2023
Basic earnings per share total	$ 2.73	$ 5.38
Diluted earnings per share total	$ 2.70	$ 5.23

The effect of the stock dividend has been retrospectively adjusted in the calculation of earnings per share. The ex-dividend date of the stock dividend was August 5, 2025. Accordingly, the basic and diluted earnings per share for 2024 were adjusted as follows:

	Before retrospective adjustment	After retrospective adjustment
Basic earnings per share total	$ 6.46	$ 5.38
Diluted earnings per share total	$ 6.28	$ 5.23

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Period

	For the Year Ended December 31	
	2025	2024
Income for the period attributable to owners of the Company	$ 719,230	$ 1,398,672
Earnings used in the computation of basic earnings per share	$ 719,230	$ 1,398,672
Effect of potentially dilutive ordinary shares:		
The after-tax interest of convertible bonds	1,698	3,467
Earnings used in the computation of diluted earnings per share	$ 720,928	$ 1,402,139

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Year Ended December 31	
	2025	**2024**
Weighted average number of ordinary shares in computation of basic earnings per share	263,181	259,818
Effect of potentially dilutive ordinary shares:		
Employees' compensation	1,903	2,383
Corporate bond	2,296	5,771
Weighted average number of ordinary shares used in the computation of diluted earnings per share	267,380	267,972

If the Company offered to settle compensation or bonuses paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonus would be settled in shares, and if the resulting potential shares have a dilutive effect, these shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. The dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

27. CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities

For the year ended December 31, 2025

			Non-cash Changes					
	Balance as of January 1, 2025	**Cash Flows**	**Net change in Lease**	**Conversion of convertible bonds**	**Interest Amortized**	**Foreign Currency Exchange Rates**	**Others**	**Balance as of December 31, 2025**
Short-term borrowings	$ 3,076,205	$ 41,185	$ -	$ -	$ -	$ 4,994	$ -	$ 3,122,384
Short-term bills payable	-	140,000	-	-	-	-	-	140,000
Long-term borrowings	100,000	100,000	-	-	-	-	-	200,000
Guarantee deposits received	360,635	(195,180)	-	-	-	(39,735)	-	125,720
Bonds Payable	130,045	-	-	(13,428)	2,123	-	-	118,740
Lease liabilities	19,547	(9,265)	13,055	-	754	-	(754)	23,337
	$ 3,686,432	$ 76,740	$ 13,055	($ 13,428)	$ 2,877	($ 34,741)	(754)	$ 3,730,181

For the year ended December 31, 2024

			Non-cash Changes					
	Balance as of January 1, 2024	**Cash Flows**	**Net change in Lease**	**Conversion of convertible bonds**	**Interest Amortized**	**Foreign Currency Exchange Rates**	**Others**	**Balance as of December 31, 2024**
Short-term borrowings	$ 3,053,932	($ 2,354)	$ -	$ -	$ -	$ 24,627	$ -	$ 3,076,205
Short-term bills payable	100,000	(100,000)	-	-	-	-	-	-
Long-term borrowings	100,000	-	-	-	-	-	-	100,000
Guarantee deposits received	553,082	(192,447)	-	-	-	-	-	360,635
Bonds Payable	459,338	-	-	(333,627)	4,334	-	-	130,045
Lease liabilities	18,697	(12,481)	13,331	-	708	-	(708)	19,547
	$ 4,285,049	($ 307,282)	$ 13,331	($ 333,627)	$ 5,042	$ 24,627	(708)	$ 3,686,432

28. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

Adopting a prudent risk management strategy and regularly reviewing the strategy, the Company engages in overall planning based on business development strategies and operational needs, in order to determine the appropriate capital structure of the Company.

The Company is not subject to any externally imposed capital requirements.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2025

	Carrying Amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
Financial Liabilities					
Financial liabilities at amortized cost:					
－Bond payable	$ 118,740	$ 124,800	$ -	$ -	$ 124,800

December 31, 2024

	Carrying Amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
Financial Liabilities					
Financial liabilities at amortized cost:					
－Bond payable	$ 130,045	$ 139,100	$ -	$ -	$ 139,100

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Private Funds	$ -	$ -	$ 7,649	$ 7,649
Deriviate intrustments				
Redemption option on convertible bonds	-	112	-	112
	$ -	$ 112	$ 7,649	$ 7,761
Financial assets at FVTOCI				
Investments in equity				
Domestic listed shares and emerging market shares	$ 15,581	$ -	$ -	$ 15,581
Private Funds	-	-	21,810	21,810
	$ 15,581	$ -	$ 21,810	$ 37,391
Financial liabilities at FVTPL				
Deriviate intrustments				
Put option on convertible bonds	$ -	$ 100	$ -	$ 100

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Private Funds	$ -	$ -	$ 1,176	$ 1,176
Deriviate intrustments				
Redemption option on convertible bonds	-	862	-	862
	$ -	$ 862	$ 1,176	$ 2,038
Financial assets at FVTOCI				
Investments in equity				
Domestic listed shares and emerging market shares	$ 18,334	$ -	$ -	$ 18,334
Domestic unlisted shares	-	-	600	600
Foreign Private Funds	-	-	75,682	75,682
	$ 18,334	$ -	$ 76,282	$ 94,616
Financial liabilities at FVTPL				
Deriviate intrustments				
Put option on convertible bonds	$ -	$ 195	$ -	$ 195

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

For the year ended December 31, 2025

	Financial Assets at FVTPL	Financial Assets at FVTOCI
Financial Instruments	Equity Instrument	Equity Instrument
Beginning Balance	$ 1,176	$ 76,282
Recognized in other gains and losses	(16,209)	-
Recognized in other comprehensive income	-	(60,889)
Additions	22,682	9,615
Reclassifications	-	(3,828)
Ending Balance	$ 7,649	$ 21,180

For the year ended December 31, 2024

	Financial Assets at FVTPL	Financial Assets at FVTOCI
Financial Instruments	Equity Instrument	Equity Instrument
Beginning Balance	$ -	$ 68,492
Recognized in other gains and losses	141	-
Recognized in other comprehensive income	-	7,790
Additions	1,035	-
Ending Balance	$ 1,176	$ 76,282

3) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measuremen

Financial Instruments	Valuation Techniques and Input
Derivative financial instruments-Redemption and put option on convertible bonds	The binomial option pricing model：evaluated by the observable closing price of the stocks, risk-free interest rate, and risk discount rate at the balance sheet date.

4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The fair values of unlisted shares are determined by using the market approach or the asset approach. In the market approach, the fair values are estimated based on the market transaction prices of comparable companies, taking into account the difference between the evaluated target and the analogous target, and calculating the fair value with an appropriate multiplier. In the asset approach, the total value of individual assets and liabilities covered by each evaluation object was adopted to calculate a business entity valuation.

c. Categories of financial instruments

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 7,761	$ 2,038
Financial assets at amortized cost (Note 1)	8,832,230	10,082,095
Financial assets at FVTOCI		
Equity instruments	37,391	94,616
Financial liabilities		
Financial liabilities at FVTPL		
Financial liabilities designated at FVTPL	100	195
Measured at amortized cost (Note 2)	6,968,984	7,881,703

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes and accounts receivables, other receivables and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term loans, short-term bills payable, notes and accounts payable, other payables, convertible bonds payable, long-term loans and guarantee deposits.

d. Financial risk management objectives and policies

The Company's major financial instruments included equity and debit investments, accounts receivables, accounts payables, borrowings and lease liabilities. The Company's Corporate Treasury monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below).

a) Foreign currency risk

The Company and its subsidiaries had foreign currency sales and purchases, which exposed the Company to foreign currency risk. The Company manages the risk that fluctuations in foreign currency could have on foreign-currency denominated assets and future cash flow by using forward exchange contracts, which was governed by the Company's policies，

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 33.

Sensitivity analysis

The Company was mainly exposed to the U.S. dollar

The following table details the Company's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The 1% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusted their translation at the end of the reporting period for a 1% change in foreign currency rates.

A positive number below indicates an increase in pretax profit and other equity associated with the 1% strengthening of the New Taiwan dollar against the relevant currency. For a 1% weakening of New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

	U.S. Dollar Impact	
	For the Year Ended December 31	
	2025	**2024**
Profit or loss	$ 28,752 (i)	$ 44,674 (i)

(i) This was mainly attributable to the exposure outstanding on U.S. dollar-denominated accounts receivables, accounts payables and loans, which were not hedged at the end of the reporting period

The Company's sensitivity to foreign currency increased during the current year mainly due to the decrease of accounts receivable balance in the USD.

In management's opinion, the sensitivity analysis did not reflect the inherent exchange rate risk because the exposure at the end of the year did not reflect the exposure during the period.

b) Interest rate risk

The Company evaluates hedging activities regularly to align with interest rate views and defined risk appetite and ensures that the most cost-effective hedging strategies are applied.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31, 2025	**December 31, 2024**
Fair value interest rate risk		
Financial liabilities	$ 282,077	$ 149,592
Cash flow interest rate risk		
Financial assets	$ 1,331,958	$ 1,556,370
Financial liabilities	$ 3,322,384	$ 3,176,205

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for nonderivative instruments at the end of the year. For floating-rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates been 50 basis points higher/lower and all other variables were held constant, the Company’s pre-tax profits for the year ended December 31, 2025 and 2024 would decrease/increase by NT$9,952 thousand and NT8,099 thousand, respectively, mainly attributable to the Company’s exposure to the floating-interest rates on bank borrowings and bank deposits

The increase in the Company’s sensitivity to interest rates during the current period was mainly due to the increasing use of floating-rate debt instruments

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities and beneficiary certificates. The Company manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Company has appointed a special team to monitor the price risk and evaluate when it is necessary to increase the risk aversion position.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had fluctuated by 3%, the pre-tax profit for the year ended December 31, 2025 and 2024 would have increased/decreased by $233 thousand and $61 thousand as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income of or the year ended December 31, 2025 and 2024 would have increase/decreased by $1,122 thousand and $2,838 thousand as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the year, the Company’s maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, could be mainly from the following:

a) The carrying amount of the financial assets recognized in the balance sheets; and

b) The maximum amount payable by the Company due to financial guarantees provided by the Company, regardless of possibility.

Financial assets are potentially affected by the failure of the Company’s counterparties to fulfill their contractual obligations. The Company’s credit risk is evaluated based on contracts whose fair value at the end of the financial reporting period is positive. The Company’s counterparties are financial institutions and companies with sound credit ratings. The Company has a dedicated unit that regularly monitors counterparty credit exposure levels every year, so no significant credit risk is expected.

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

The Company did transactions with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

The maximum credit exposure of the Company is the net carrying amount of financial assets after deducting the amount that can be offset against each other and the impairment loss recognized in accordance with the regulations without considering collateral and other credit enhancement policies.

3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Company's available unutilized bank loan facilities set out in section (b) below.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on agreed repayment dates.

Taking into account the Company's financial position, the management believes that it is unlikely that the banks will exercise their discretionary rights to demand immediate repayment.

	December 31, 2025			
	Less than 1 year	**1-3 years**	**3-5 years**	**Over 5 years**
Non-derivative financial liabilities				
Notes payables	$ 31	$ -	$ -	$ -
Accounts payables	2,437,622	-	-	-
Accounts payables to related parties	1,051	-	-	-
Other payables	823,436	-	-	-
Short-term borrowings	3,231,205	-	-	-
Long-term borrowings	201,878	-	-	-
Short-term bills payable	140,000	-	-	-
Bond payable	124,800	-	-	-
Lease liabilitiest	7,875	10,946	3,596	-
	$ 6,967,898	$ 10,946	$ 3,596	$ -

	December 31, 2024			
	Less than 1 year	**1-3 years**	**3-5 years**	**Over 5 years**
Non-derivative financial liabilities				
Notes payables	$ 31	$ -	$ -	$ -
Accounts payables	3,216,590	-	-	-
Accounts payables to related parties	3,254	-	-	-
Other payables	994,943	-	-	-
Short-term borrowings	3,148,838	-	-	-
Long-term borrowings	1,976	101,317	-	-
Short-term bills payable		-	-	-
Bond payable	-	-	139,100	-
Lease liabilitiest	9,253	8,632	2,673	-
	$ 7,374,885	$ 109,949	$ 141,773	$ -

b) Financing facilities

	December 31, 2025	December 31, 2024
Unsecured bank overdraft facilities		
Amount used	$ 3,858,651	$ 3,851,011
Amount unused	5,676,529	5,818,759
	$ 9,535,180	$ 9,669,770
Secured bank borrowings facility		
Amount used	$ 200,000	$ 100,000
Amount unused	200,000	300,000
	$ 400,000	$ 400,000

e. Transfers of financial assets

Factored accounts receivables that are not yet overdue at the end of the year were as follows:

December 31, 2025

Counter-parties	Balance at January 1	Receivables Factoring Proceeds	Cash Received	Advances Received - Used	Balance at December 31	Credit Lines
Bank SinoPac	$ 425,980	$ 2,571,938	($ 377,896)	($ 1,939,319)	$ 680,703	USD 54,000
	USD 12,993	USD 82,653	(USD 11,547)	(USD 62,441)	USD 21,658	
Taishin International Bank	568,072	1,664,973	(470,624)	(1,706,761)	55,660	USD 60,000
	USD 17,327	USD 52,860	(USD 13,584)	(USD 54,832)	USD 1,771	
Chang Hwa Bank	657	1,340	(1,727)	-	270	USD 4,000
	USD 20	USD 43	(USD 54)	USD -	USD 9	
E.Sun Bank	576,897	5,314,160	(1,233,979)	(4,305,287)	351,791	USD 219,000
	USD 17,596	USD 169,986	(USD 38,088)	(USD138,302)	USD 11,192	
HSBC Bank	185,585	2,542,669	(504,675)	(1,791,448)	432,131	USD 20,000
	USD 5,661	USD 81,796	(USD 15,894)	(USD 57,814)	USD 13,749	
	$ 1,757,191	$ 12,095,080	($ 2,588,901)	($ 9,742,815)	$ 1,520,555	
	USD 53,597	USD 387,338	(USD 79,167)	(USD313,389)	USD 48,379	

December 31, 2024

Counter-parties	Balance at January 1	Receivables Factoring Proceeds	Cash Received	Advances Received - Used	Balance at December 31	Credit Lines
Bank SinoPac	$ 612,050	$ 3,223,020	($ 382,298)	($ 3,026,792)	$ 425,980	USD 54,000
	USD 19,933	USD 100,703	(USD 12,843)	(USD 94,800)	USD 12,993	
Taishin International Bank	493,563	2,891,995	(505,684)	(2,311,802)	568,072	USD 60,000
	USD 16,074	USD 90,189	(USD 17,008)	(USD 71,928)	USD 17,327	
Chang Hwa Bank	5,295	85,292	(55,995)	(33,935)	657	USD 4,000
	USD 172	USD 2,705	(USD 1,795)	(USD 1,062)	USD 20	
E.Sun Bank	659,500	10,502,440	(2,999,371)	(7,585,672)	576,897	USD 200,000
	USD 21,479	USD 328,592	(USD 96,296)	(USD236,179)	USD 17,596	
HSBC Bank	220,708	1,601,731	(200,555)	(1,436,299)	185,585	USD 20,000
	USD 7,187	USD 49,884	(USD 6,805)	(USD 44,605)	USD 5,661	
	$ 1,991,116	$ 18,304,478	($ 4,143,903)	($14,394,500)	$ 1,757,191	
	USD 64,845	USD 572,073	(USD134,747)	(USD448,574)	USD 53,597	

The above credit lines may be used on a revolving basis.

The effective weighted average interest rates for factoring ranged from 4.46%~5.26% for the year ended December 31, 2025, and 5.18%~6.41% for the year ended December 31, 2024.

Pursuant to the factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Company, while losses from credit risk are borne by banks. Refer to Note 32 for information on the use of promissory notes provided by the Company as collateral for the sale of accounts receivable.

30. TRANSACTIONS WITH RELATED PARTIES

Besides as disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows.

a. Names and categories of related parties

Name	Related Party Categories
Promate Solutions Corporation.	Subsidiary
Promate Electronic (Shenzhen) Co., Ltd	Subsidiary
Promate Electronic (Shanghai) Co., Ltd	Subsidiary
Happy On Supply Chain Management Ltd.	Subsidiary
CT Continental Corp.	Subsidiary
Weikeng Industrial Co., Ltd.	Substantive related party – The company was a corporate director of the Company but ceased to be a related party as of May 28, 2025, due to non-reappointment as a director.
Weikeng International Co., Ltd.	Substantive related party – The company was a corporate director of the Company but ceased to be a related party as of May 28, 2025, due to non-reappointment as a director.
HIGGSTEC Inc.	Substantive related party – The company was a corporate director of the Company but ceased to be a related party as of May 27, 2025, due to non-reappointment as a director.
Blutech Inc.	Associate.(See Note 11)
Twin Beans Limited Corporation	Associate.

b. Sales of goods

Line Items	Related Party Categories/Name	For the Year ended December 31 2025	For the Year ended December 31 2024
Sales	Subsidiaries	$ 541,711	$ 560,427
	Associate.	363	-
	Substantive related parties	3,186	15,714
		$ 545,260	$ 576,141

c. Purchases of goods

Related Party Categories/Name	For the Year ended December 31 2025	For the Year ended December 31 2024
Subsidiaries	$ 11,625	$ 17,873
Substantive related parties	2,977	4,949
	$ 14,602	$ 22,822

The related-party transactions were conducted under normal terms.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31, 2025	December 31, 2024
Accounts receivable	Subsidiaries		
	CT Continental Corp.	$ 465,568	$ 816,527
	Other	133,192	142,970
	Associate.	156	-
	Substantive related parties	-	178
		$ 598,916	$ 959,675

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2025 and 2024, no impairment losses were recognized for trade receivables from subsidiaries.

The revenue from sales to other customers through CT Continental Corp. for the years ended December 31, 2025 and 2024 were NT$1,093,840 thousand, and NT$1,665,067 thousand respectively.

Its accounts receivable as of December 31, 2025 and 2024 was NT$465,568 thousand, and NT$816,527 thousand respectively.

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31, 2025	December 31, 2024
Accounts payables	Subsidiaries	$ 1,051	$ 3,145
	Substantive related parties	-	109
		$ 1,051	$ 3,254
Other payables	Subsidiaries	$ 12,891	$ 12,820

The outstanding accounts payables to related parties are unsecured.

f. Lease arrangements - the Company is lessee

Related Party Categories/Name	For the Year ended December 31 2025	2024
Interest expense		
Substantive related parties	$ -	$ 18
Rental expense		
Substantive related party		
Weikeng Industrial Co., Ltd.	$ 996	$ -

Lessor	Location	Lease term and Payment Method
Weikeng Industrial Co., Ltd.	Office building on Huanshan Road, Neihu District	The lease term begins on January 1, 2021 and ends on December 31, 2025. Rent is paid every six months, where the monthly rent is NT$199,000.

g. Lease arrangements - the Company is lessor

Operating leases

Rental income is summarized as below.

Related Party Categories/Name	For the Year ended December 31 2025	2024
Rental income		
Subsidiaries		
Promate Solutions Corporation.	$ 11,148	$ 11,148

Lessor	Location	Lease term and Payment Method
Subsidiaries	2F and 3F of QingPu Factory	The lease term begins on August 1, 2023 and ends on July 31, 2028. Rent is paid every six months, where the monthly rent is NT$725,000.
Subsidiaries	1F of QingPu Factory	The lease term begins on January 1, 2024 and ends on December 31, 2025. Rent is paid every six months, where the monthly rent is NT$204,000.

h. Other transactions with related parties

1) Rental expense

Lessee	Location	Lease Term and Payment Method	For the Year ended December 31	
			2025	2024
Happy On Supply Chain Management Ltd.	Warehouse and office in HK	The monthly rent is HK$10,000, and the warehouse is calculated based on the monthly usage area. Since February 2006, the rent has been rented and the rent is paid monthly.	$ 7,999	$ 8,052

2) Others.

Line Items	Related Party Categories/Name	For the Year ended December 31	
		2025	2024
Freight	Subsidiaries	$ 41,695	$ 41,220
Repair and maintenance	Subsidiaries	$ 85	$ 74
Professional service fees	Subsidiaries	$ 131,673	$ 128,562
Other operating expenses	Subsidiaries	$ 3,404	$ 4,192
Other income	Other income	$ 2,440	$ 3,940
	Substantive related parties	-	167
		$ 2,440	$ 4,107

3) The Company participated in the capital increase of Blutech Inc. increasing its investment by NT$9,615 thousand. As a result, its ownership interest rose from 4.35% to 15.63%.

The Company has no significant influence over Blutech Inc. Therefore, it was classified as financial assets at fair value through other comprehensive income.

i. Compensation of key management personnel

Line Items	For the Year ended December 31	
	2025	2024
Short-term employee benefits	$ 93,216	$ 115,680
Other long-term employee benefits	631	514
	$ 93,847	$ 116,194

The remuneration of directors and key executives is determined by the remuneration committee based on the performance of individuals and market trends.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31, 2025	December 31, 2024
Land	$ 205,987	$ 205,987
Buildings	75,423	80,431
	$ 281,410	$ 286,418

The land and buildings above have been pledged as collateral for bank loans. The Company may not use the pledged assets as collateral for other loans or sell them to other companies.

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company were as follows:

a. Significant commitments

1) As of December 31, 2025 and 2024, unused letters of credit for purchases of inventories were as follows:

	December 31, 2025	December 31, 2024
NTD	$ 138,088	$ 110,000

2) As of December 31, 2025 and 2024, the Company had issued promissory notes totaling NT$1,100,000 thousand as collateral for bank borrowing facilities, accounts receivable factoring facilities and purchase guarantees.

3) As of December 31, 2025 and 2024, the Company has issued letters of guarantee for purchase of inventories amounted to $202,860 and $205,570 thousand, respectively.

4) As of December 31, 2025 and 2024, the Company had issued letters of guarantee totaling NT$60,000 thousand for customs duty guarantees.

b. Contingent liabilities: None

33. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE: NONE

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2025

	Foreign Currencies	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 240,514	31.43	USD:NTD	$ 7,559,367
Nonmonetary items				
Investments accounted for using the equity method				
USD	1,800	31.43	USD:NTD	$ 56,574
Financial liabilities				
Monetary items				
USD	149,035	31.43	USD:NTD	$ 4,684,173

December 31, 2024

	Foreign Currencies	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 287,563	32.785	USD:NTD	$ 9,427,737
Nonmonetary items				
Investments accounted				

	Foreign Currencies	Exchange Rate		Carrying Amount
for using the equity method				
USD	1,655	32.785	USD:NTD	$ 54,259
Financial liabilities				
Monetary items				
USD	151,300	32.785	USD:NTD	$ 4,960,364

The Company is mainly exposed to the USD and CNY The following information was aggregated by the functional currencies of the entities of the Company, and the exchange rates between respective functional currencies and the presentation currency were disclosed. For the years ended December 31, 2025 and 2024, realized foreign exchange gains (losses) amounted to NT$(287,134) thousand and NT$315,120 thousand, respectively, and unrealized foreign exchange gains (losses) amounted to NT$75,400 thousand and NT$(5,185) thousand, respectively.

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions :

1) Financing provided to others. (None)

2) Endorsement/guarantee provided. (Table 1)

3) Significant marketable securities held (excluding investments in subsidiaries, associates and jointly controlled entities). (None)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 2)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)

b. Information of investees. (Table 4)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses. (Table 6)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

TABLE 1

PROMATE ELECTRONIC CO., LTD.

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Maximum Collateral/ Guarantee Amounts Allowable (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 1)										
0	The Company	Promate Electronic (Shanghai) Co., Ltd	(1)	$2,172,669	$ -	$ 26,976	$ 26,976	$ -	0.43%	$3,103.813	Y	N	Y
		Promate Electronic (Shenzhen) Co., Ltd.	(1)	2,172,669	112,650	89,920	-	-	1.45%	3,103,813	Y	N	Y

Note 1：The 2 types of relationship between a guarantor and a guarantee are set out as follows:

(1) Companies in which the Company directly and indirectly holds more than 50 percent of the voting shares.

(2) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares

.

Note 2：The endorsement/guarantee limit is determined by the Company in accordance with Articles 36 and 38 of the Securities and Exchange Act and Operational Procedures for Endorsements/Guarantees resolved by the shareholders' meeting: the total amount of endorsement/guarantee provided by the Company shall not exceed 50% of the net worth of the current period. The endorsement/guarantee provided to a single entity shall not exceed 35% of the net worth of the current period.

(1)According to the above regulations, aggregate Endorsement/Guarantee Limit: shall not exceed forty percent (50%) of net worth NT$$6,207,626 (in thousands) × 50% = $3,103,813 (in thousands).
(2)According to the above regulations, limits on Endorsement/Guarantee Given on Behalf of Each Party: Shall not exceed thirty percent (35%) of net worth NT$6,207,626 (in thousands) × 35% = 2,172,669 (in thousands).

TABLE 2

PROMATE ELECTRONIC CO., LTD.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	Promate Solutions Corporation.	Subsidiary	Sale	$ 120,705	0.44%	Transaction terms are not significantly different from those for third parties	$ -	—	Accounts receivable $ 14,318	0.28%	
	Promate Electronic (Shenzhen) Co., Ltd.	Subsidiary	〃	234,529	0.86%	〃	-	—	Accounts receivable 74,823	1.46%	
	Promate Electronic (Shanghai) Co., Ltd	Subsidiary	〃	186,477	0.68%	〃	-	—	Accounts receivable 44,051	0.86%	

TABLE 4

PROMATE ELECTRONIC CO., LTD.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
AS OF DECENBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	CT Continental Corporation	Subsidiary	Accounts receivable $465,568	1.71	-	—	$ 210,720,	$ -

TABLE 5

PROMATE ELECTRONIC CO., LTD.

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

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of the Investee)	Investment Gain (Loss) (Note)	Note
				December31, 2025	December 31, 2024	Shares	Percentage of Ownership %	Carrying Value			
The Company											
	Promate Solutions Corporation.	Taipei, Taiwan	Production and trade of electronic components	$ 297,527	$ 297,527	39,764	66.21%	$ 988,330	$ 338,738	$ 224,519	Subsidiary
	Promate International Co., Ltd.	Hong Kong	General investment	52,101	52,101	12,360	100.00%	56,465	3,397	3,397	Subsidiary
	Happy On Supply Chain Management Ltd.	Hong Kong	Warehousing and logistics services	12,124	12,124	3,000	100.00%	21,103	(182)	(182)	Subsidiary
	Promate Electronics Company USA	USA	General trade of electronic components	606	606	20	100.00%	12,298	531	531	Subsidiary
	CT Continental Corporation	Taipei, Taiwan	General trade of electronic components	54,000	54,000	5,400	90.00%	45,585	(5,433)	(4,890)	Subsidiary
	FindingsTech Inc.	Taipei, Taiwan	Information software service	18,000	18,000	1,800	100.00%	705	(9,320)	(9,320)	Subsidiary
	Blutech Inc.	Taiwan	Wholesale of Precision Instruments	19,615	-	1,212	15.63%	2,272	(12,404)	(1,556)	Associate

Note: Refer to Table 6 for information on investment in mainland China.

TABLE 6

PROMATE ELECTRONIC CO., LTD.

INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. For investments in China, disclose the name of the investee, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, gain or loss for the period, carrying amount of the investment, repatriated investment gains:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Losses) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025
					Outward	Inward						
Promate Electronic (Shenzhen) Co., Ltd.	International trade, entrepot trade, trade with companies and trading agents in free trade zones	$ 6,782 (USD200)	100% Indirectly invested through Promate International Co, Ltd. （Note 1）	$ 6,782 (USD200)	$ -	$ -	$ 6,782 (USD200)	$ 956 (Note 3)	100%	$ 956 (Note 3)	$ 18,012	$ -
Promate Electronic (Shanghai) Co., Ltd	〃	32,500 (USD1,000)	Same as above （Note 2）	32,500 (USD1,000)	-	-	32,500 (USD1,000)	2,203 (Note 3)	100%	2,203 (Note 3)	28,601	-

2. Limit on the amount of investment in China

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 39,282 USD 1,200	$ 39,282 USD 1,200	$4,030,522

Note 1: The Company invested in PROMATE INTERNATIONAL CO., LTD., which later established Promate Electronic (Shenzhen) Co., Ltd. as a wholly-owned subsidiary in mainland China in October 2008. This investment was approved by the Board of Directors and filed with the Investment Commission of the Ministry of Economic Affairs under reference number 9800118390.

Note 2: The Company invested in PROMATE INTERNATIONAL CO., LTD., which later established Promate Electronic (Shanghai) Co., Ltd. as a wholly-owned subsidiary in mainland China in November 2009. This investment was approved by the Board of Directors and filed with the Investment Commission of the Ministry of Economic Affairs under reference number 09900024680.

Note 3: The amount was recognized based on the audited financial statements of the investee company.

Note 4: The investment limit for mainland China is calculated as 60% of the consolidated net equity.

TABLE 7

PROMATE ELECTRONIC CO., LTD.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Nature of Transaction	Purchase/ Sale		Unit Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gains or Losses
		Amount	Percentage		Payment Terms	Compared to General Transactions	Ending Balance	% of Total	
Promate Electronic (Shenzhen) Co., Ltd.	Sales	$ 234,529	0.86%	No significant difference	No significant difference	No significant difference	Accounts receivable $ 74,823	1.49%	$ 8
Promate Electronic (Shanghai) Co., Ltd	Sales	186,477	0.68%	〃	〃	〃	Accounts receivable $ 44,051	0.88%	87

1. Endorsements, guarantees or collateral directly and indirectly provided by investee companies in mainland China through businesses in a third area: Table 1.

2. Financial intermediation directly and indirectly provided by investee companies in mainland China through a third area: None.

3. Other transactions that have a material impact on current profit or loss or financial status: None.

PROMATE ELECTRONIC CO., LTD.
THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEM

Statement 1

PROMATE ELECTRONIC CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Amount
Cash in hand	Including USD 5 thousand (exchange rate of 31.43) 、RMB 35 thousand (exchange rate of 4.496)	$ 316
Checking accounts and demand deposits		950,359
Foreign currency demand deposits	Including USD 30,698 thousand (exchange rate of 31.43) 、RMB 1,106 thousand (exchange rate of 4.496) 、HKD 1,269 thousand (exchange rate of 4.038)	974,943
Foreign currency time deposits	Including USD 3,000 thousand (exchange rate of 31.43)	94,290
		$ 2,019,908

Statement 2

PROMATE ELECTRONIC CO., LTD.

STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Amount
At amortized cost		
Non-related Parties		
Client W	Payment for goods	$ 451,343
Client X	〃	300,337
Others (Note)	〃	3,707,152
		4,458,832
Related parties		
Promate Solutions Corporation.	〃	14,318
Promate Electronic (Shenzhen) Co., Ltd.	〃	74,823
Promate Electronic (Shanghai) Co., Ltd	〃	44,051
CT Continental Corp.	〃	465,568
Blutech Inc.	〃	156
		598,916
Less: Allowance for doubtful accounts		(77,264)
		$ 4,980,484

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

Statement 3

PROMATE ELECTRONIC CO., LTD.

STATEMENT OF OTHER RECEIVABLES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Amount
Non-related Parties		
Factored accounts receivables	Bank SinoPac	$ 680,703
	Taishin International Bank	55,660
	Chang Hwa Bank	270
	E.Sun Bank	351,792
	HSBC Bank	432,130
Sub-total		1,520,555
Tax refund receivables		88,442
Others (Note)		12,043
		$ 1,621,040

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

Statement 4

PROMATE ELECTRONIC CO., LTD.

STATEMENT OF INVENTORIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Amount	
		Cost	Net Realizable Value
Merchandise	Linear/Distributed Components	$ 1,471,899	$ 1,851,226
	LCD Display Products	563,783	541,572
	Image Processing ICs	1,050,543	1,065,100
	Application specific IC	412,374	415,202
	Memory	176,982	228,061
	Micro Controller Unit	46,860	52,672
	Others	17,300	13,414
		3,739,741	$ 4,167,247
	Less: Allowance for write-down of inventories	(110,212)	
		$ 3,629,529	

Statement 5

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

STATEMENT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specidied Otherwise)

	Beginning Balance		Additions in Investment		Decrease in Investment		Reclassifications		Valuation Adjustmen	Ending Balance		Collateral
	Shares	Fair Value	Shares	Amount	Shares	Amount	Shares	Amount		Shares	Fair Value	
Ordinary shares												
Domestic listed shares and emerging market shares												
Higgstec Inc	789,000	$ 16,174	-	$ -	-	$ -			($ 2,643)	789,000	$ 13,531	None
TricornTech Taiwan Corporation	51,779	2,160	-	-	-	-			(110)	51,779	2,050	〃
Domestic unlisted shares												
MiTAC Inc. (Claridy Solutions, Inc.)	18,140	-	-	-	-	-			-	18,140	-	〃
DigiZerocarbon Corp.	50,000	-	-	-	-	-			-	50,000	-	〃
Blutech Inc..	250,000	600	961,500	9,615		-	(1,211,500)	(10,215)	-	-	-	〃
		18,934		9,615		-	(1,211,500)	(10,215)	(2,753)		15,581	
Private Funds												
ESQUAREE IoT LANDING FUND L.P.		75,682		-		-	-	-	(53,872)		21,810	〃
Total		$ 94,616		$ 9,615		$ -	(1,211,500)	($ 10,215)	($ 56,625)		$ 37,391	

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specidied Otherwise)

	Beginning Balance		Increase		Decrease (		Reclassifications		Unrealized gain on transactions with associates	Investment gain or los	Exchange differences arising on translating the foreign operations	Unrealized Gain on Financial Assets at FVto OCI	Actuarial profit and loss of defined benefit plans	Additional paid-in capital	Others	Beginning Balance			Valuation basis	Collateral
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount								Shares	Ownership interest %	Amount		
Domestic listed shares and emerging market shares																				
PROMATE SOLUTIONS CO., LTD.	39,764	$1,028,681	-	$ -	-	($ 238,585)	-	$ -	$ 493	$ 224,519	($ 107)	($25,505)	($ 111)	$ 5,169	($ 6,224)	39,764	66.21%	$ 988,330	Equity Methid	No
Domestic unlisted shares																				
CT CONTINENTAL CORP.	5,400	54,475	-	-	-	-	-	-	-	(4,890)	-	-	-	-	-	5,400	90%	49,585	〃	〃
FindingsTech Inc.	1,800	15,258	-	-	-	-	-	-	-	(9,320)	-	-	-	-	(5,233)	1,800	100%	705	〃	〃
Blutech Inc.	-	-	-	-	-	-	1,212	3,828	-	(1,556)	-	-	-	-	-	1,212	15.63%	2,272	〃	〃
Foreign unlisted shares																				
PROMATE INTERNATIONAL CO., LTD.	12,360	52,469	-	-	-	-	-	-	160	3,398	438	-	-	-	-	12,360	100%	56,465	〃	〃
HAPPY ON SUPPLY CHAIN MANAGEMENT LTD.	3,000	20,605	-	-	-	-	-	-	-	(182)	680	-	-	-	-	3,000	100%	21,103	〃	〃
PROMATE ELECTRONICS COMPANY USA	20	12,269	-	-	-	-	-	-	-	531	(502)	-	-	-	-	20	100%	12,298	〃	〃
		$1,183,757		$ -		($ 238,585)		$ 3,828	$ 653	$ 212,500	$ 509	($25,505)	($ 111)	$ 5,169	($11,457)			$1,130,758		

Statement 7

PROMATE ELECTRONIC CO., LTD.

STATEMENT OF CHANGES IN RIGHTS-OF-USE ASSETS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Building	Transportation Equipment	Total	Remarks
Cost				
Balance on January 1, 2025	$ 47,787	$ 3,454	$ 51,241	
Additions	14,993	2,605	17,598	
Disposals	(23,493)	(1,778)	(25,271)	
Balance on December 31, 2025	$ 39,287	$ 4,281	$ 43,568	
Accumulated Depreciation				
Balance on January 1, 2025	$ 29,023	$ 1,945	$ 30,968	
Depreciations	7,834	1,338	9,172	
Disposals	(18,950)	(1,778)	(20,728)	
Balance on December 31, 2025	$ 17,907	$ 1,505	$ 19,412	
Net Amount on December 31, 2025	$ 21,380	$ 2,776	$ 24,156	

Statement 8

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specidied Otherwise)

Loan Type	Ending balance	Contract period	Range of Interest Rates (%)	Loan commitment	Collateral	Remarks
Credit loan	$ 200,000	2025/10/17-2026/01/16	1.850%	$ 600,000	No	Financial institution
〃	150,000	2025/12/26-2026/01/26	1.840%	350,000	〃	〃
〃	100,000	2025/12/29-2026/01/29	1.980%	350,000	〃	〃
〃	100,000	2025/11/10-2026/02/10	1.850%	500,000	〃	〃
〃	280,000	2025/11/11-2026/02/11	1.850%	314,300	〃	〃
〃	200,000	2025/11/27-2026/02/26	1.880%	628,600	〃	〃
〃	300,000	2025/12/10-2026/03/10	1.880%	1,021,475	〃	〃
〃	100,000	2025/12/17-2026/03/17	1.880%	400,000	〃	〃
〃	250,000	2025/11/10-2026/05/08	1.865%	300,000	〃	〃
〃	100,000	2025/06/23-2026/06/23	0.880%	300,000	〃	〃
〃	225,000	2025/08/26-2026/08/26	1.980%	450,000	〃	〃
〃	100,000	2025/09/23-2026/09/23	0.880%	300,000	〃	〃
〃	24,484	2025/12/01-2026/05/30	1.850%	518,595	〃	〃
〃	50,000	2025/12/01-2026/05/30	1.885%	400,000	〃	〃
〃	157,150	2025/11/08-2026/01/23	4.480%	500,000	〃	〃
〃	94,290	2025/11/18-2026/01/16	4.606%	600,000	〃	〃
〃	94,290	2025/10/16-2026/04/10	4.400%	314,300	〃	〃
〃	94,290	2025/12/16-2026/01/14	4.430%	314,300	〃	〃
〃	62,860	2025/12/29-2026/06/27	4.490%	314,300	〃	〃
〃	94,290	2025/11/18-2026/11/16	4.470%	377,160	〃	〃
〃	94,290	2025/11/28-2026/01/27	4.600%	518,595	〃	〃
〃	157,150	2025/12/16-2026/03/03	4.120%	1,021,475	〃	〃
〃	94,290	2025/11/17-2026/02/13	4.600%	628,600	〃	〃
〃	$ 3,122,384			$ 11,021,700	〃	〃

Statement 9

PROMATE ELECTRONIC CO., LTD.

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Amount
Non-related Parties		
Vendor A	Payment for goods	$ 399,070
Vendor B	〃	516,207
Vendor E	〃	157,234
Vendor I	〃	138,845
Vendor K	〃	127,895
Vendor N	〃	292,200
Other (Note)	〃	806,171
		2,437,622
Related parties		
Promate Solutions Corporation.	〃	1,051
		$ 2,438,673

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

Statement 10

PROMATE ELECTRONIC CO., LTD.

STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specidied Otherwise)

Bank	Terms	Interest Rate	Current	Non-current	Total	Collateral	Remark
Chang Hwa Bank	2025.6.30-2027.6.30， Monthly interest repayment, principal repayment at maturity, the interest rate is changed every three months and based on a specific rate of The Bankers Association of Taiwan	1.88%	$ -	$ 100,000	$ 100,000	Land and Building	Note 31
Chang Hwa Bank	2025.11.27-2027.11.27， Monthly interest repayment, principal repayment at maturity, the interest rate is changed every three months and based on a specific rate of The Bankers Association of Taiwan	1.88%	-	100,000	100,000	Land and Building	Note 31
Total			$ -	$ 200,000	$ 200,000		

Statement 11

PROMATE ELECTRONIC CO., LTD.

STATEMENT OF GURANTEE DEPOTIS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Amount
Non-related Parties		
Company O	For purchase guarantee	$ 31,430
Company Q	〃	31,430
Company R	〃	62,860
		$ 125,720

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

PROMATE ELECTRONIC CO., LTD.

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Quantity (In Thousand Units)	Amount
Sales revenue		
Specific applications and LCD panel related products	2,396	$ 3,692,955
Linear/distributed components	3,690,924	9,986,845
Image processing IC	267,111	8,100,308
Application-specific chips	878,439	4,013,793
Other		1,588,650
		$ 27,382,551

Statement 13

PROMATE ELECTRONIC CO., LTD.

STATEMENT OF COST OF GOODS SOLD
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Amount
Merchandise, beginning of year	$ 3,740,103
Additions: Merchandise purchased	26,144,096
Deductions: Loss of disposal of merchandise	(131)
Transferred to operating expense	(40,246)
Merchandise, end of year	(4,199,638)
Cost of goods sold, merchandise	25,644,184
Additions: Processing fee	853
Additions: Loss of disposal of merchandise	131
Deductions: Recovery gain on inventory impairment	(128,000)
	$ 25,517,168

Statement 14

PROMATE ELECTRONIC CO., LTD.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Selling & Marketing Expenses	General & Administrative Expenses	Research & Development Expenses	Amount
Salary expense	$ 194,083	$ 43,580	$ 15,316	$ 252,979
Freight expense	227,778	5	21	227,804
Insruance expense	38,922	6,466	1,659	47,047
Entertainment expense	52,575	10,237	207	63,019
Deprciation expense	9,022	14,135	550	23,707
Professional service fee	132,920	7,304	138	140,362
Research & development expenses	2	72	5,826	5,900
Others (Note)	33,049	43,090	5,065	81,204
	$ 688,351	$ 124,889	$ 28,782	$ 842,022

Note: The amount of each item in others does not exceed 5% of the account balance.

PROMATE ELECTRONIC CO., LTD.

STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars, Unless Specidied Otherwise)

	2025			2024		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employees’ Benefit Expenses						
Salary Expense	$ -	$ 228,386	$ 228,386	$ -	$ 381,214	$ 381,214
Labor and Health Expenses	-	21,280	21,280	-	20,612	20,612
Pension Expenses	-	9,592	9,592	-	9,083	9,083
Directors' Remuneration	-	15,000	15,000	-	27,000	27,000
Other Employees Benefit Expenses	-	26,955	26,955	-	35,539	35,539
Total	$ -	$ 301,213	$ 301,213	$ -	$ 473,448	$ 473,448
Depreciation Expense	$ -	$ 23,707	$ 23,707	$ -	$ 25,355	$ 25,355
Amortization Expense	$ -	$ 534	$ 534	$ -	$ 856	$ 856

Note:

1. The number of employees for this year and the previous year were 227 and 223 respectively, of which the number of directors who did not serve concurrently was 7 and 7 respectively.
2. (1) The average employee benefit expenses were $1,301 thousand and $2,067 thousand for the years ended December 31, 2025 and 2024 (“Employee benefit expenses - remuneration of directors”/“average number of employees - board of directors without holding employment positions”).

   (2) The average salaries and bonuses were $1,038 thousand and $1,765 thousand for the years ended December 31, 2025 and 2024 (Salary and bonus/“average number of employees - board of directors without holding employment positions”).

   (3) The average change in salaries and bonuses was (41.19%). (“Average salary and bonus for the year ended 2025 - average salary and bonus for the year ended 2024”/average salary and bonus for the year ended 2024).

   (4) The remuneration of independent directors: The Company has established an audit committee, so it has no supervisor.

   (5) a. In accordance with the "Compensation Committee Charter ", the Company has established the "Regulations on the Approval of Directors' and Managers' Salaries and Remunerations" to establish a systematized and rationalized compensation policy for directors and managers.

   b. In addition to being paid in accordance with the "Regulations on the Approval of Directors' and Managers' Salaries and Remunerations", directors' remuneration shall also be paid in accordance with the Articles of Incorporation, depending on the company's annual profit, up to 3% of the total amount of the company's annual profit. The amount shall be proposed by the Compensation Committee and approved by the board of directors. (Independent directors do not participate in the distribution of directors’ remuneration in accordance with the law).

   c. The remuneration of managers is determined based on the usual level of compensation in the same industry, taking into account factors such as the time invested, responsibilities undertaken and performance of the individual, and is paid in accordance with the company's "Regulations on the Approval of Salaries and Compensation for Directors and Managers". In addition, depending on the annual operating performance, an outstanding performance bonus will be awarded (proposed by the Compensation Committee and approved by the Board of Directors).

   d. The remuneration of employees is determined by referring to the market conditions of the same industry, and a remuneration and welfare system is formulated to attract outstanding talents. In addition to the monthly salary, performance bonuses, outstanding performance bonuses and employee remuneration are awarded according to the annual assessment results (according to the Articles of Incorporation, if there is a profit in the year, no less than 1% should be set aside as employee remuneration, which will be proposed by the Compensation Committee and approved by the Board of Directors to be distributed in the form of stocks or cash).