Stock Code:6220

YFC-BONEAGLE ELECTRIC CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2026 and 2025

Address: No. 12-9, Ln. 130, Sec. 2, Zhongshan E. Rd., Xinwu Dist, Taoyuan City 327, Taiwan (R.O.C.)
Telephone: +866(3)477-8846

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

Table of contents

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

Independent Auditors' Review Report

To the Board of Directors of
YFC-BONEAGLE ELECTRIC CO., LTD. :

Introduction

We have reviewed the accompanying consolidated balance sheets of YFC-BONEAGLE ELECTRIC CO., LTD. and its subsidiaries as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note (4)(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to NT$640,462 thousand and NT$709,344 thousand, constituting 7% and 8% of consolidated total assets as of March 31, 2026 and 2025, respectively, total liabilities amounting to NT$117,575 thousand and NT$68,332 thousand, constituting 2% and 1% of consolidated total liabilities as of March 31, 2026 and 2025, respectively, and total comprehensive (loss) income amounting to NT$1,355 thousand and NT$(16,453) thousand, constituting 7% and (437)% of consolidated total comprehensive income (loss), for the three months ended March 31, 2026 and 2025, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of YFC-BONEAGLE ELECTRIC CO., LTD. and its subsidiaries as of March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, " Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Hsiao, Pei-Ju and Lee, Fang-Yi.

KPMG

Taipei, Taiwan (Republic of China)
May 13, 2026

Notes to Readers

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

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

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2026, December 31 and March 31, 2025

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2026		December 31, 2025		March 31, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note (6)(a))	$ 765,636	8	1,490,268	16	1,212,618	13
1150-70	Notes and accounts receivable (note (6)(b))	2,276,728	23	2,041,899	22	2,484,085	26
1200	Other receivables, net (note (6)(c))	6,824	-	6,401	-	6,993	-
1220	Current tax assets	75,837	1	74,052	1	51,078	1
130X	Inventories (note (6)(d))	3,533,853	37	2,485,297	28	2,482,553	26
1410	Prepayments (note (9))	377,047	4	331,792	4	229,065	3
1470	Other current assets (note (6)(h))	10,658	-	11,644	-	15,339	-
	Total current assets	7,046,583	73	6,441,353	71	6,481,731	69
	Non-current assets:						
1600	Property, plant and equipment (notes (6)(e) and (8))	1,112,060	11	1,065,654	12	1,122,985	12
1755	Right-of-use assets (note (6)(f))	382,316	4	381,245	4	519,947	5
1780	Intangible assets (note (6)(g))	594,824	6	596,793	6	657,964	7
1840	Deferred tax assets	503,753	5	510,744	6	541,319	6
1900	Other non-current assets (notes (6)(h) and (8))	67,901	1	90,830	1	60,549	1
	Total non-current assets	2,660,854	27	2,645,266	29	2,902,764	31
	Total assets	**$ 9,707,437**	**100**	**9,086,619**	**100**	**9,384,495**	**100**

		March 31, 2026		December 31, 2025		March 31, 2025	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note (6)(i))	$ 2,968,571	31	2,288,460	25	2,668,613	29
2110	Short-term notes and bills payable (note (6)(j))	129,903	1	79,943	1	79,936	1
2130	Current contract liabilities (note (6)(r))	48,763	1	53,398	1	72,394	1
2150-70	Notes and accounts payable	937,645	10	1,074,545	12	761,335	8
2200	Other payables (note (6)(l))	283,202	3	325,556	4	405,936	4
2230	Current tax liabilities	41,507	-	29,698	-	39,153	-
2251	Current provisions for employee benefits	22,113	-	25,981	-	26,769	-
2280	Current lease liabilities (note (6)(m))	147,311	2	121,725	1	143,306	2
2365	Refund liabilities-current (note (6)(l))	40,923	-	60,532	1	78,484	1
2320	Long-term liabilities, current portion (notes (6)(k) and (8))	726,499	7	619,729	7	755,849	8
2300	Other current liabilities	2,460	-	765	-	4,693	-
	Total current liabilities	5,348,897	55	4,680,332	52	5,036,468	54
	Non-Current liabilities:						
2540	Long-term borrowings (notes (6)(k) and (8))	779,352	8	824,753	9	412,638	4
2570	Deferred tax liabilities	115,318	1	112,200	1	171,285	2
2580	Non-current lease liabilities (note (6)(m))	276,635	3	300,351	3	415,700	5
2600	Other non-current liabilities	7,437	-	9,506	-	33,010	-
	Total non-current liabilities	1,178,742	12	1,246,810	13	1,032,633	11
	Total liabilities	6,527,639	67	5,927,142	65	6,069,101	65
	Equity attributable to owners of parent (note (p)):						
3110	Ordinary shares	1,464,627	15	1,464,627	16	1,464,627	16
3200	Capital surplus	988,829	10	988,829	11	988,829	10
3300	Retained earnings	722,815	8	769,296	9	710,328	8
3400	Other equity interest	3,527	-	(63,275)	(1)	146,390	1
	Total equity attributable to owners of parent	3,179,798	33	3,159,477	35	3,310,174	35
36XX	**Non-controlling interests**	-	-	-	-	5,220	-
	Total equity	3,179,798	33	3,159,477	35	3,315,394	35
	Total liabilities and equity	**$ 9,707,437**	**100**	**9,086,619**	**100**	**9,384,495**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		For the three months ended March 31			
		2026		2025	
		Amount	%	Amount	%
4110	**Operating revenue** (note (6)(r))	$ 2,110,137	100	2,285,261	100
5110	**Operating costs** (notes (6)(d), (m), (n), (s) and (12))	1,518,637	72	1,693,130	74
5900	**Gross profit from operations**	591,500	28	592,131	26
	Operating expenses (notes (6)(b), (m), (n), (s), (7) and (12))**:**				
6100	Selling expenses	393,009	18	450,669	20
6200	Administrative expenses	147,936	7	145,630	6
6300	Research and development expenses	14,986	1	10,966	1
6450	Expected credit (reversal gains) losses	(4,031)	-	2,414	-
6000	**Total operating expenses**	551,900	26	609,679	27
6900	**Operating profit (loss)**	39,600	2	(17,548)	(1)
	Non-operating income and expenses (notes (6)(m) and (t))**:**				
7010	Other income	2,350	-	342	-
7020	Other gains and losses, net	(36,137)	(2)	10,079	1
7100	Interest income	4,195	-	6,390	-
7050	Finance costs, net	(44,803)	(2)	(43,843)	(2)
7000	**Total non-operating income and expenses**	(74,395)	(4)	(27,032)	(1)
7900	**Loss from continuing operations before tax**	(34,795)	(2)	(44,580)	(2)
7950	**Less: Income tax expense (benefit)** (note (6)(o))	11,686	-	(1,225)	-
	Net loss	(46,481)	(2)	(43,355)	(2)
8300	**Other comprehensive income :**				
8360	**Items that may be reclassified subsequently to profit or loss** (notes (6)(o) and (p))				
8361	Exchange differences on translation of foreign operation	83,502	4	58,904	3
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	16,700	1	11,781	1
	Total items that may be reclassified subsequently to profit or loss	66,802	3	47,123	2
8300	**Other comprehensive income**	66,802	3	47,123	2
8500	**Total comprehensive loss**	**$ 20,321**	**1**	**3,768**	**-**
	Loss attributable to:				
8610	Loss attributable to owners of parent	$ (46,481)	(2)	(43,355)	(2)
8620	Loss attributable to non-controlling interests	-	-	-	-
8600	**Net loss**	**$ (46,481)**	**(2)**	**(43,355)**	**(2)**
	Comprehensive income attributable to:				
8710	Comprehensive income attributable to owners of parent	$ 20,321	1	3,768	-
8720	Comprehensive income attributable to non-controlling interests	-	-	-	-
8700	**Comprehensive income**	**$ 20,321**	**1**	**3,768**	**-**
	Losses per share (in NT dollars) (note (6)(q))				
9750	**Basic losses per share**	**$ (0.32)**		**(0.30)**	
9850	**Diluted losses per share**	**$ (0.32)**		**(0.30)**	

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Share capital		Retained earnings				Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2025	$ 1,464,627	988,829	314,247	297,216	142,220	753,683	99,267	3,306,406	5,220	3,311,626
Loss	-	-	-	-	(43,355)	(43,355)	-	(43,355)	-	(43,355)
Other comprehensive income	-	-	-	-	-	-	47,123	47,123	-	47,123
Total comprehensive income	-	-	-	-	(43,355)	(43,355)	47,123	3,768	-	3,768
Balance at March 31, 2025	**$ 1,464,627**	**988,829**	**314,247**	**297,216**	**98,865**	**710,328**	**146,390**	**3,310,174**	**5,220**	**3,315,394**
Balance at January 1, 2026	$ 1,464,627	988,829	328,002	297,216	144,078	769,296	(63,275)	3,159,477	-	3,159,477
Loss	-	-	-	-	(46,481)	(46,481)	-	(46,481)	-	(46,481)
Other comprehensive income	-	-	-	-	-	-	66,802	66,802	-	66,802
Total comprehensive income	-	-	-	-	(46,481)	(46,481)	66,802	20,321	-	20,321
Balance at March 31, 2026	**$ 1,464,627**	**988,829**	**328,002**	**297,216**	**97,597**	**722,815**	**3,527**	**3,179,798**	**-**	**3,179,798**

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2026	**2025**
Cash flows from operating activities:		
Loss before tax	$ (34,795)	(44,580)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	57,292	65,267
Amortization expense	20,241	18,468
Expected credit (reversal gains) losses	(4,031)	2,414
Interest expense	44,803	43,843
Interest income	(4,195)	(6,390)
Loss on disposal of property, plan and equipment	2,043	100
Unrealized foreign exchange gains	(25,391)	(33,522)
Total adjustments to reconcile profit	90,762	90,180
Changes in operating assets and liabilities:		
Notes and accounts receivable	(154,431)	51,016
Other receivables	(440)	22,216
Inventories	(1,009,184)	225,686
Prepayments	(44,958)	(17,418)
Other current assets and right to the return goods	1,243	(3,232)
Total changes in operating assets	(1,207,770)	278,268
Notes and accounts payable	(145,448)	(347,713)
Other payables	(40,349)	(19,253)
Refund liabilities and provisions for employee benefits	(24,642)	(18,360)
Other current liabilities and contract liabilities	(3,845)	5,797
Total changes in operating liabilities	(214,284)	(379,529)
Total changes in operating assets and liabilities	(1,422,054)	(101,261)
Total adjustments	(1,331,292)	(11,081)
Cash outflow generated from operations	(1,366,087)	(55,661)
Interest received	4,199	6,394
Interest paid	(43,435)	(44,479)
Income taxes paid	(897)	-
Net cash flows used in operating activities	(1,406,220)	(93,746)

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2026	2025
Cash flows used in investing activities:		
Acquisition of property, plant and equipment	$ (37,776)	(14,387)
Proceeds from disposal of property, plant and equipment	982	3,411
Acquisition of intangible assets	(7,747)	(31,013)
Increase in other non-current assets	(6,244)	(6,741)
Net cash flows used in investing activities	(50,785)	(48,730)
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,260,662	812,981
Decrease in short-term loans	(604,147)	(875,265)
Increase in short-term notes and bills payable	49,960	113
Proceeds from long-term debt	94,535	258,853
Repayments of long-term debt	(45,490)	(240,547)
Payment of lease liabilities	(35,571)	(36,398)
Decrease in other non-current liabilities	(2,197)	-
Net cash flows from (used in) financing activities	717,752	(80,263)
Effect of exchange rate changes on cash and cash equivalents	14,621	15,149
Net decrease in cash and cash equivalents	(724,632)	(207,590)
Cash and cash equivalents at beginning of period	1,490,268	1,420,208
Cash and cash equivalents at end of period	$ **765,636**	**1,212,618**

See accompanying notes to consolidated financial statements.

(1) Company history

YFC-BONEAGLE ELECTRIC CO., LTD. (the "Company") was incorporated on September 3, 1983 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is No.12-9, Ln. 130, Sec. 2, Zhongshan E. Rd., Xinwu Dist., Taoyuan City 327, Taiwan (R.O.C.). The Company and subsidiaries (together referred to as the "Group") primarily engaged in the developing, manufacturing, and selling of power cord sets, LAN cables, patch cords, and related networking accessories, as well as the sales of consumer electronics.

Since January 9, 2003, the Company's ordinary shares have been listed on the Taiwan Over-The-Counter Securities Exchange (Gre Tai Securities Market).

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements for the three months ended March 31, 2026 and 2025 were authorized for issue by the board of directors on May 13, 2026.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2026:

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

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ' operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company' s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
	● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

List of subsidiaries in the consolidated financial statements are as follows:

			Shareholding			
Name of investor	Name of subsidiary	Principal activity	March 31, 2026	December 31, 2025	March 31, 2025	Note
The Company	BESTLINK NETWARE, INC. (BESTLINK)	Trading business	100 %	100 %	100 %	Note 1
〃	YFC-BONEAGLE ELECTRIC (B.V.I.) CO., LTD. (B.V.I.)	Holding company set up for investments in Philippines, China and USA	100 %	100 %	100 %	
〃	UNC INVESTMENT & DEVELOPMENT INC. (UNC)	Real estate investment business	100 %	100 %	100 %	
〃	PREMIUM-LINE KSI GMBH (KSI)	Trading business	100 %	100 %	100 %	Note 1
〃	MONOPRICE HOLDINGS, INC. (MONOPRICE HOLDINGS)	Holding company set up for investments in USA	100 %	100 %	100 %	
〃	PREMIUM-LINE SYSTEMS GMBH (PREMIUM-LINE SYSTEMS)	Sale of network equipment and electronic appliances	100 %	100 %	100 %	Note 1
〃	YUE FONG COMPANY LIMITED	Trading business	100 %	100 %	100 %	Note 1
〃	YFC-EUROPOWER INTERNATIONAL CO., LTD.	Trading business	100 %	100 %	100 %	
B.V.I.	YFC-BONEAGLE HOLDINGS (CAYMANS) CO., LTD. (CAYMANS)	Holding company set up for investments in China and USA	100 %	100 %	100 %	
〃	EUROPOWER INTERNATIONAL LIMITED (EUROPOWER)	Trading business	100 %	100 %	100 %	
〃	UNIVERSAL NETWORK CORPORATION (UNIVERSAL)	Holding company set up for investments in China	100 %	100 %	100 %	
〃	MAX SYNERGY LIMITED (MAX)	Holding company set up for investments in China	- %	- %	80 %	Note 2
〃	PREMIUM LINE ASIA LTD. (PREMIUMLINE)	Trading business	100 %	100 %	100 %	Note 1
〃	YFC-BONEAGLE INTERNATIONAL, INC. (PHILIPPINES)	Trading business	100 %	100 %	100 %	Note 1

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding March 31, 2026	Shareholding December 31, 2025	Shareholding March 31, 2025	Note
B.V.I.	BESZIN CORPORATION INC. (BESZIN)	Trading business	100 %	100 %	100 %	Note 1
〃	YFC DEVELOPMENT CORPORATION	Real estate investment business	100 %	100 %	100 %	Note 1
〃	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. CORPORATION	Manufacturing and sale of power cables, wires, and outlets	100 %	100 %	100 %	
MONOPRICE HOLDINGS	MONOPRICE INC. (MONOPRICE)	Trading business	100 %	100 %	100 %	
CAYMANS	DONGGUAN YFC-BONEAGLE ELECTRONIC TECHNOLOGY CO., LTD. (DONGGUAN YFC)	Manufacturing and sale of power cables, wires, and outlets	100 %	100 %	100 %	
〃	PRIME WIRE & CABLE, INC. (PRIME WIRE)	Retailing of cord sets and network cabling system	100 %	100 %	100 %	
UNIVERSAL	WUXI UNIVERSAL NETWORK CORPORATION (WUXI)	Manufacturing and sale of high-speed high-frequency LAN cables	100 %	100 %	100 %	

Note 1: Classified as immaterial subsidiaries, wherein their financial statements for the three months ended March 31, 2026 and 2025 were not reviewed by a certified public accountant.

Note 2: Since the immaterial subsidiary, MAX SYNERGY LIMITED, had completed its milestones, it was liquidated in April 2025. Hence, its financial statements for the three months ended March 31, 2025 need not be reviewed by a certified public accountant.

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Employee benefits

The pension cost under the defined benefit plans in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 " Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2025. For the related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2025.

(6) Explanation of significant accounts:

Except for the following disclosures, there is no material difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2025. Please refer to note (6) of the 2025 annual consolidated financial statements for related information.

(a) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 2,322	2,354	2,215
Demand deposits	670,566	1,381,823	1,070,873
Check deposits	90,959	104,317	136,877
Time deposits	1,789	1,774	2,653
Cash and cash equivalents in consolidated statement of cash flows	**$ 765,636**	**1,490,268**	**1,212,618**

For the interest rate risk and sensitivity analysis of the Group's financial assets and liabilities, please refer to note (6)(u).

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Notes and accounts receivables

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable from operating activities	$ 29,057	33,495	42,217
Accounts receivable - measured as amortized cost	2,312,650	2,076,418	2,530,928
Less: Loss allowance	(64,979)	(68,014)	(89,060)
Net	**$ 2,276,728**	**2,041,899**	**2,484,085**

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance was determined as follows:

	March 31, 2026		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance**
Current	$ 1,691,199	0.4%	6,114
Past due 1 to 30 days	385,959	1.4%	5,272
Past due 31 to 120 days	150,588	7.2%	10,784
Past due 121 to 180 days	75,821	23.2%	17,589
Past due 181 to 360 days	20,438	36.8%	7,518
Past due more than 360 days	17,702	100%	17,702
Total	**$ 2,341,707**		**64,979**

	December 31, 2025		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance**
Current	$ 1,667,780	0.2%	4,141
Past due 1 to 30 days	222,783	2.8%	6,229
Past due 31 to 120 days	166,666	10.2%	16,977
Past due 121 to 180 days	8,721	40.0%	3,488
Past due 181 to 360 days	42,528	84.0%	35,744
Past due more than 360 days	1,435	100%	1,435
Total	**$ 2,109,913**		**68,014**

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2025		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance**
Current	$ 1,832,109	0.2%	4,277
Past due 1 to 30 days	345,311	3.1%	10,865
Past due 31 to 120 days	309,903	10.3%	32,052
Past due 121 to 180 days	24,341	28.8%	7,007
Past due 181 to 360 days	51,000	47.8%	24,378
Past due more than 360 days	10,481	100%	10,481
Total	**$ 2,573,145**		**89,060**

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

	For the three months ended March 31	
	2026	**2025**
Balance at January 1	$ 68,014	88,002
Expect credit (reversal gains) losses	(4,031)	2,414
Amounts written off	(126)	(2,478)
Foreign exchange losses	1,122	1,122
Balance at March 31	**$ 64,979**	**89,060**

The Group did not pledged its notes and account receivable as collaterals for its loans.

(c) Other receivables

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Value-added tax returned by export trade	$ 2,818	3,494	3,365
Other	4,006	2,907	3,628
Less: Loss allowance	-	-	-
Net	**$ 6,824**	**6,401**	**6,993**

As of March 31, 2026 and 2025, loss allowance for other receivables were measured at an amount equal to life time expected credit loss, and no provisions were required.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Inventory

	March 31, 2026	December 31, 2025	March 31, 2025
Merchandise inventory (including goods in transit)	$ 1,312,821	1,887,987	1,963,356
Finished goods	404,199	322,678	228,438
Work in progress	149,816	51,778	61,844
Raw materials	1,645,297	205,856	209,549
Supplies	21,720	16,998	19,366
Total	**$ 3,533,853**	**2,485,297**	**2,482,553**

The component of operating costs were as follows:

	For the three months ended March 31	
	2026	**2025**
Inventory that has been sold	$ 1,537,048	1,652,811
Inventory valuation and obsolescence (gains) losses	(14,278)	45,776
Revenue from sale of scraps	(4,133)	(5,457)
Total	**$ 1,518,637**	**1,693,130**

Due to the continuous sale and clearance of old inventories, the Group recognized the inventory write-up gains by adjusting the inventory to net realizable value for the three months ended March 31, 2026.

The Group did not pledged its inventories as collaterals for its loans.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Property, plant, and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the three months ended March 31, 2026 and 2025 were as follows:

	Land	Buildings and construction	Machinery and equipment	Other and inspection equipment (including equipment under acceptance and unfinished construction)	Total
Costs or deemed cost:					
Balance at January 1, 2026	$ 297,312	761,628	1,083,335	460,573	2,602,848
Additions	-	183	4,301	57,336	61,820
Disposals	-	(50)	(10,166)	(1,942)	(12,158)
Effect of changes in foreign exchange rate	(1,033)	17,847	16,728	4,581	38,123
Balance at March 31, 2026	**$ 296,279**	**779,608**	**1,094,198**	**520,548**	**2,690,633**
Balance at January 1, 2025	$ 299,391	680,442	1,099,489	532,104	2,611,426
Additions	-	131	4,259	10,082	14,472
Reclassification	3,112	(3,112)	995	(3,638)	(2,643)
Disposals	-	(2,525)	(3,485)	(4,624)	(10,634)
Effect of changes in foreign exchange rate	1,993	8,740	11,788	8,205	30,726
Balance at March 31, 2025	**$ 304,496**	**683,676**	**1,113,046**	**542,129**	**2,643,347**
Accumulated depreciation and impairment:					
Balance at January 1, 2026	$ -	365,145	843,190	328,859	1,537,194
Depreciation for the period	-	7,130	10,572	3,795	21,497
Disposals	-	(50)	(7,961)	(1,122)	(9,133)
Effect of changes in foreign exchange rate	-	9,488	14,081	5,446	29,015
Balance at March 31, 2026	**$ -**	**381,713**	**859,882**	**336,978**	**1,578,573**
Balance at January 1, 2025	$ -	346,507	820,055	319,152	1,485,714
Depreciation for the period	-	6,135	10,598	9,370	26,103
Disposals	-	(2,525)	(2,987)	(1,611)	(7,123)
Effect of changes in foreign exchange rate	-	3,921	7,309	4,438	15,668
Balance at March 31, 2025	**$ -**	**354,038**	**834,975**	**331,349**	**1,520,362**
Carrying value:					
Balance at January 1, 2026	**$ 297,312**	**396,483**	**240,145**	**131,714**	**1,065,654**
Balance at March 31, 2026	**$ 296,279**	**397,895**	**234,316**	**183,570**	**1,112,060**
Balance at January 1, 2025	**$ 299,391**	**333,935**	**279,434**	**212,952**	**1,125,712**
Balance at March 31, 2025	**$ 304,496**	**329,638**	**278,071**	**210,780**	**1,122,985**

Information on depreciation for the period is disclosed in note (12). For information on the Group's property, plant and equipment pledged as collateral, please refer to note (8).

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Right-of-use assets

The Group leases several assets including land, buildings, and vehicles. Information about leases for which the Group as a lessee is presented below:

	Land	Buildings	Vehicles	Total
Cost:				
Balance at January 1, 2026	$ 15,687	755,669	3,371	774,727
Additions	-	30,595	-	30,595
Write-off	-	(710)	(863)	(1,573)
Effect of changes in foreign exchange rate	535	(30,895)	12	(30,348)
Balance at March 31, 2026	**$ 16,222**	**754,659**	**2,520**	**773,401**
Balance at January 1, 2025	$ 16,001	869,375	13,249	898,625
Write-off	-	(3,579)	-	(3,579)
Effect of changes in foreign exchange rate	228	13,004	18	13,250
Balance at March 31, 2025	**$ 16,229**	**878,800**	**13,267**	**908,296**
Accumulated depreciation:				
Balance at January 1, 2026	$ 5,443	385,846	2,193	393,482
Depreciation for the period	80	35,409	306	35,795
Write-off	-	(710)	(863)	(1,573)
Effect of changes in foreign exchange rate	186	(36,814)	9	(36,619)
Balance at March 31, 2026	**$ 5,709**	**383,731**	**1,645**	**391,085**
Balance at January 1, 2025	$ 5,232	327,754	10,197	343,183
Depreciation for the period	80	38,305	779	39,164
Effect of changes in foreign exchange rate	75	5,913	14	6,002
Balance at March 31, 2025	**$ 5,387**	**371,972**	**10,990**	**388,349**
Carrying value:				
Balance at January 1, 2026	**$ 10,244**	**369,823**	**1,178**	**381,245**
Balance at March 31, 2026	**$ 10,513**	**370,928**	**875**	**382,316**
Balance at January 1, 2025	**$ 10,769**	**541,621**	**3,052**	**555,442**
Balance at March 31, 2025	**$ 10,842**	**506,828**	**2,277**	**519,947**

Information on depreciation for the period is disclosed in note (12). The Group did not provide any of the right-of-use assets as collaterals for its loans.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Intangible assets

The costs and amortization of intangible assets of the Group for the three months ended March 31, 2026 and 2025 were as follows:

		Goodwill	Trademark	Patent and customer relationships	Computer software	Total
Costs or deemed cost:						
Balance at January 1, 2026	$	323,811	101,696	86,635	715,758	1,227,900
External acquisition		-	-	-	7,747	7,747
Effect of changes in foreign exchange rate		5,830	1,831	1,488	13,668	22,817
Balance at March 31, 2026	**$**	**329,641**	**103,527**	**88,123**	**737,173**	**1,258,464**
Balance at January 1, 2025	$	337,793	106,087	90,135	678,396	1,212,411
External acquisition		-	-	-	31,013	31,013
Effect of changes in foreign exchange rate		4,334	1,361	1,165	9,607	16,467
Balance at March 31, 2025	**$**	**342,127**	**107,448**	**91,300**	**719,016**	**1,259,891**
Accumulated amortization and impairment:						
Balance at January 1, 2026	$	109,872	7,313	86,635	427,287	631,107
Amortization for the period		-	-	-	20,241	20,241
Effect of changes in foreign exchange rate		1,978	132	1,488	8,694	12,292
Balance at March 31, 2026	**$**	**111,850**	**7,445**	**88,123**	**456,222**	**663,640**
Balance at January 1, 2025	$	114,616	7,629	90,135	362,897	575,277
Amortization for the period		-	-	-	18,468	18,468
Effect of changes in foreign exchange rate		1,471	98	1,165	5,448	8,182
Balance at March 31, 2025	**$**	**116,087**	**7,727**	**91,300**	**386,813**	**601,927**
Carrying value:						
Balance at January 1, 2026	**$**	**213,939**	**94,383**	**-**	**288,471**	**596,793**
Balance at March 31, 2026	**$**	**217,791**	**96,082**	**-**	**280,951**	**594,824**
Balance at January 1, 2025	**$**	**223,177**	**98,458**	**-**	**315,499**	**637,134**
Balance at March 31, 2025	**$**	**226,040**	**99,721**	**-**	**332,203**	**657,964**

The amortizations of intangible assets please refer to note (12). For other information, please refer to note (6)(g) of the consolidated financial statements for the year ended December 31, 2025.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Other current asset and other non-current assets

Other current and non-current assets of the Group were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Other current assets:			
Temporary payments	$ 4,445	5,541	8,891
Right to the return goods-current	6,213	6,103	6,448
Subtotal	10,658	11,644	15,339
Other non-current assets:			
Other non-current financial assets	7,037	6,912	7,029
Guarantee deposits paid	52,726	48,266	44,740
Net defined benefit assets	5,702	5,702	5,957
Prepayments for business facilities	2,091	29,766	2,677
Other	345	184	146
Subtotal	67,901	90,830	60,549
Total	**$ 78,559**	**102,474**	**75,888**

(i) Temporary payments

Temporary payments are mainly payments made on behalf of others.

(ii) Other non-current financial assets

Other non-current financial assets are time deposits pledged as collaterals for long-term borrowings.

(iii) Guarantee deposits paid

Guarantee deposits paid are security deposits on leases and car rentals, performance bonds, long-term borrowings and customs security deposits.

(iv) For additional information on the Group's other non-current financial assets and guarantee deposits paid pledged as collaterals, please refer to note (8).

(i) Short-term borrowings

The details of the Group's short-term borrowings were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans	**$ 2,968,571**	**2,288,460**	**2,668,613**
Unused short-term and long-term credit lines	**$ 797,063**	**1,555,696**	**2,206,618**
Interest rates	**1.01~6.42%**	**1.01~6.42%**	**1.98~6.80%**

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group did not provide any assets as collateral for short-term borrowings.

(j) Short-term notes and bills payable

The details of short-term notes and bills payable of the Group were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Commercial paper payable	$ 130,000	80,000	80,000
Less: discount on commercial paper payable	(97)	(57)	(64)
Total	**$ 129,903**	**79,943**	**79,936**
Interest rates	**2.25%~2.60%**	**2.45%**	**2.59%**

The Group did not provide any assets as collateral for short-term notes payable.

(k) Long-term borrowings

The details of the Group's long-term borrowings were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans	$ 1,342,282	1,265,266	1,055,030
Secured bank loans	100,468	103,731	113,457
Secured non-financial institution loans	63,101	75,485	-
Subtotal	1,505,851	1,444,482	1,168,487
Less: current portion	(726,499)	(619,729)	(755,849)
Non-current portion	**$ 779,352**	**824,753**	**412,638**
Interest rates	**1.98~6.50%**	**1.98~6.50%**	**1.98~7.53%**

For information on assets pledged as collateral for long-term borrowings, please refer to note (8).

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Other payables and refund liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Salaries and bonuses payable	$ 56,814	73,308	55,522
Compensation and bonus due to employees	15,000	11,704	10,407
Compensation due to directors	3,000	5,016	4,460
Interest payable	6,401	5,033	6,021
Processing fee payable	6,920	5,452	6,724
Payable on machinery and equipment	28,581	34,825	252
Freight payable	28,657	34,745	108,141
VAT and sales tax payable	47,936	49,532	100,465
Other accrued expenses	89,893	105,941	113,944
Other payables	**$ 283,202**	**325,556**	**405,936**
Refund liabilities	**$ 40,923**	**60,532**	**78,484**

Other payables and refund liabilities are expected to be settled within one year. Refund liabilities refer to expected payments to customers in relation to volume discounts of sales and right to the return goods.

(m) Lease liabilities

The carrying values of the Group's lease liabilities were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Current	**$ 147,311**	**121,725**	**143,306**
Non-current	**$ 276,635**	**300,351**	**415,700**

For the maturity analysis, please refer to note (6)(u).

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2026	2025
Interest on lease liabilities	**$ 6,141**	**8,529**
Variable lease payments not included in the measurement of lease liabilities	**$ 3,829**	**6,382**
Expenses relating to short-term leases	**$ 3,622**	**2,050**

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in the statement of cash flows for the Group was as follows:

	For the three months ended March 31	
	2026	**2025**
Total cash outflow for leases	**$ 49,163**	**53,359**

There was no significant change for leases for the three months ended March 31, 2026 and 2025. For related information, please refer to note (6)(m) of the consolidated financial statements for the year ended December 31, 2025.

(n) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2025 and 2024.

	For the three months ended March 31	
	2026	**2025**
Operating costs	$ -	-
Selling expenses	-	-
Administrative expenses	88	6
Research and development expenses	-	-
Total	**$ 88**	**6**

(ii) Defined contribution plans

The Company's pension expenses under the defined contribution method amounted to $1,125 and $1,161 for the three months ended March 31, 2026 and 2025, respectively. Payments were made to the Bureau of Labor Insurance.

Pension expenses made in accordance with local regulations for all subsidiaries amounted to $6,406 and $8,281 for the three months ended March 31, 2026 and 2025, respectively.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Pension expenses recognized by the Group were as follows:

	For the three months ended March 31	
	2026	**2025**
Operating costs	$ 1,678	2,266
Selling expenses	4,192	5,504
Administrative expenses	1,015	1,049
Research and development expenses	646	623
Total	$ **7,531**	**9,442**

(o) Income tax

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management.

(i) Income tax expense (benefit)

The components of income tax expense (benefit) for the three months ended March 31, 2026 and 2025 were as follows:

	For the three months ended March 31	
	2026	**2025**
Current tax expense (benefit)		
Current period	$ 11,704	(1,225)
Adjustments for prior periods	(18)	-
Subtotal	11,686	(1,225)
Deferred tax expense (benefit)		
Origination and reversal of temporary differences	-	-
Subtotal	-	-
Income tax expense	$ **11,686**	**(1,225)**

The amounts of income tax (benefit) expense recognized in other comprehensive income for the three months ended March 31, 2026 and 2025 were as follows:

	For the three months ended March 31	
	2026	**2025**
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences of foreign operations	$ **16,700**	**11,781**

(Continued)

(ii) Examination and approval

The Company's income tax returns for all through 2023 have been examined by the R.O.C. income tax authorities.

The Group's overseas subsidiaries' income tax returns for all years through 2024 have been declared to, but have yet to be examined by, the local tax authorities.

(p) Capital and other equities

There was no significant change for capital and other equity for the three months ended March 31, 2026 and 2025. For related information, please refer to note (6)(p) of the consolidated financial statements for the year ended December 31, 2025.

(i) Capital surplus

The balances of additional paid-in capital were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Premium of issuance	$ 936,752	936,752	936,752
Transaction of treasury stock	19,741	19,741	19,741
Difference between consideration and carrying amount of shares	334	334	334
Expired employee stock options	32,002	32,002	32,002
Total	**$ 988,829**	**988,829**	**988,829**

Premium of issuance, transaction of treasury stock, and difference between the consideration and the carrying amount of shares, may be used to offset the Company's deficit. However, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of the ordinary shares.

Stock options of convertible bonds issued recognized as premium issuance when the bonds converted ,and recognized as expired stock options when the repayment of bonds is due. Expired employee stock options may only be used to offset a deficit.

(ii) Earnings distribution

In the board of directors' meeting held on March 13, 2026, the resolution for the distribution of earnings from the year 2025 has been approved. Based on the resolution, distributable earnings are calculated as net profit after tax of $118,527 for the year 2025, plus, actuarial loss of $(390) and the beginning balance of unappropriated earnings of $25,942, less the required legal reserve of $11,814, which amounted to $132,265. The cash dividends, yet to be approved by the shareholders, amounted to $102,524, with a par value of $0.7 per share.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

In the shareholders' meeting held on June 20, 2025, the resolution for the distribution of earnings from the year 2024 has been approved. Based on the resolution, distributable earnings are calculated as net income after tax of $135,911 for the year 2024, plus, actuarial gain of $1,637 and the beginning balance of unappropriated earnings of $4,672, less the required legal reserve of $13,755, which amounted to $128,465. The cash dividends, that were finished to distribution in September 2025, amounted to $102,524, with a par value of $0.7 per share.

The related information can be accessed from “Market Observation Post System”.

(iii) Other equity interest (net taxes)

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2026	$ (63,275)
Exchange differences on foreign operation	66,802
Balance at March 31, 2026	$ 3,527
Balance at January 1, 2025	$ 99,267
Exchange differences on foreign operation	47,123
Balance at March 31, 2025	$ 146,390

(q) Earnings per share

The calculations of basic losses per share and diluted losses per share for the three months ended March 31, 2026 and 2025 were as follow:

	For the three months ended March 31	
	2026	**2025**
Basic losses per share		
Loss attributable to ordinary shareholders of the Company	$ (46,481)	(43,355)
Weighted-average number of ordinary shares (in thousands of shares)	146,463	146,463
Basic losses per share (in dollars)	$ (0.32)	(0.30)
Diluted losses per share		
Loss attributable to ordinary shareholders of the Company	$ (46,481)	(43,355)
Weighted-average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	146,463	146,463
Diluted losses per share (in dollars)	$ (0.32)	(0.30)

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended March 31, 2026 and 2025, the Group had no employee remunerations were accrued due to its losses, resulting in its earnings per share to have no dilutive impact during the periods.

(r) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended March 31	
	2026	**2025**
Goods sold	$ 2,103,843	2,281,950
Rental income	6,294	3,311
Total	**$ 2,110,137**	**2,285,261**

(ii) Disaggregation of revenue

	For the three months ended March 31, 2026			
	Manufactruing	**Wholesaling**	**Online retailing**	**Total**
Primary geographical markets				
United States	$ 449,329	596,497	536,988	1,582,814
China	189,923	-	-	189,923
Taiwan	103,300	-	-	103,300
Canada	510	71,462	-	71,972
Austria	26,939	10,938	-	37,877
United Kingdom	2,989	-	-	2,989
Philippines	140	59,498	-	59,638
Vietnam	-	3,357	-	3,357
Others	51,973	-	-	51,973
Total	**$ 825,103**	**741,752**	**536,988**	**2,103,843**
Main products/services lines				
CABLE	$ 264,101	62,855	262,816	589,772
POWER CORD	376,320	667,959	-	1,044,279
Consumer electronics	-	-	274,172	274,172
Others	184,682	10,938	-	195,620
Total	**$ 825,103**	**741,752**	**536,988**	**2,103,843**
Timing of revenue recognition:				
Product transferred at a point in time	**$ 825,103**	**741,752**	**536,988**	**2,103,843**
Sales channels				
Directly to customers	**$ 825,103**	**741,752**	**536,988**	**2,103,843**

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended March 31, 2025			
	Manufactruing	Wholesaling	Online retailing	Total
Primary geographical markets				
United States	$ 736,975	502,612	636,725	1,876,312
China	47,236	-	-	47,236
Taiwan	113,839	-	-	113,839
Canada	-	61,242	-	61,242
Austria	30,110	9,278	-	39,388
United Kingdom	6,300	-	-	6,300
Philippines	815	54,102	-	54,917
Vietnam	60	2,840	-	2,900
Others	79,816	-	-	79,816
Total	**$ 1,015,151**	**630,074**	**636,725**	**2,281,950**
Main products/services lines				
CABLE	$ 292,367	56,942	297,415	646,724
POWER CORD	664,313	563,856	-	1,228,169
Consumer electronics	-	-	339,310	339,310
Others	58,471	9,276	-	67,747
Total	**$ 1,015,151**	**630,074**	**636,725**	**2,281,950**
Timing of revenue recognition:				
Product transferred at a point in time	**$ 1,015,151**	**630,074**	**636,725**	**2,281,950**
Sales channels				
Directly to customers	**$ 1,015,151**	**630,074**	**636,725**	**2,281,950**

(iii) Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025
Contract liabilities－advance sales receipts	**$ 48,763**	**53,398**	**72,394**

For details on notes and accounts receivable and allowance for impairment, please refer to note (6)(b).

The amount of revenue recognized for the three months ended March 31, 2026 and 2025 that were included in the contract liability balance at the beginning of the period were $44,556 and $64,470, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Remuneration to employees and directors

Pursuant to a resolution approved at the shareholders' meeting on June 20, 2025, the Group amended its articles of incorporation. Under the revised articles, earnings (referring to pre-tax net profit for the period before deducting remunerations) shall first be offset against any deficit, then, a minimum of 6% will be distributed as employee remuneration (with at least 10% of such amount designated for base-level employees), and a maximum of 4% will be allocated as directors' remuneration.

In accordance with the previous articles of incorporation, earnings (referring to pre-tax net profit for the period before deducting remunerations) shall first be offset against any deficit, then, a minimum of 6% will be distributed as employee remuneration and a maximum of 6% will be allocated as directors' remuneration.

Employees who are entitled to receive the abovementioned employee remuneration, in share or cash, include the employees of the Company's affiliated companies which are at least 50% directly or indirectly owned by the Company.

For the three months ended March 31, 2026 and 2025, no remunerations to employees and directors were accrued due to the loss incurred by the Group.

For further information, please refer to "Market Observation Post System".

(t) Other non-operating income and expenses

(i) Interest income

	For the three months ended March 31	
	2026	**2025**
Interest income from bank deposits	**$ 4,195**	**6,390**

(ii) Other income

	For the three months ended March 31	
	2026	**2025**
Government grants	$ 417	97
Other income	1,933	245
Total	**$ 2,350**	**342**

(iii) Other gains and losses

	For the three months ended March 31	
	2026	**2025**
Losses on disposal of property, plant, and equipment	$ (2,043)	(100)
Foreign exchange (losses) gains	(34,055)	10,845
Other non-operating expenses	(39)	(666)
Other gains and losses, net	**$ (36,137)**	**10,079**

(iv) Financial costs

	For the three months ended March 31	
	2026	**2025**
Interest expense		
Interest on bank and non-financial institution loans	$ (38,301)	(35,197)
Interest on lease liabilities	(6,141)	(8,529)
Short-term notes and bills payable	(361)	(117)
Total	**$ (44,803)**	**(43,843)**

(u) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note (6)(u) of the consolidated financial statements for the year ended December 31, 2025.

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

Customers of the Group are mainly concentrated in off-line retail of internet cables and power code products. In order to lower the credit risk of accounts receivable, the Group continuously examines the financial situation of customers and periodically assess the recoverability of accounts receivable, recognizing allowances for bad debt when necessary. The losses on doubtful debts were within the expectations of management. As of March 31, 2026, December 31 and March 31, 2025 five clients contributed to 64%, 60% and 56% respectively, of the accounts receivable, hence, the Group has a significant concentration on credit risk.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Credit risk from receivables

For notes and accounts receivable, as well as other receivables, which are exposed to credit risk, please refer to note (6)(b) and note (6)(c), respectively.

(ii) Liquidity risk

The following are the dates of contractual maturities of financial liabilities, including estimated interest payments but excluding the impact of netting agreements.

	Carrying value	Contractual cash flow	Within 1 year	1-2 years	2-5 years	Over 5 years
March 31, 2026						
Non-derivative financial liabilities						
Short-term borrowings	$ 2,968,571	2,991,010	2,991,010	-	-	-
Short-term notes and bills payable	129,903	130,000	130,000	-	-	-
Notes and accounts payable	937,645	937,645	937,645	-	-	-
Other payables	283,202	283,202	283,202	-	-	-
Lease liabilities - current and noncurrent	423,946	464,849	167,699	134,819	162,331	-
Long-term borrowings (includes current portion)	1,505,851	1,586,108	1,189,525	180,640	161,145	54,798
Total	**$ 6,249,118**	**6,392,814**	**5,699,081**	**315,459**	**323,476**	**54,798**
December 31, 2025						
Non-derivative financial liabilities						
Short-term borrowings	$ 2,288,460	2,320,638	2,320,638	-	-	-
Short-term notes and bills payable	79,943	80,000	80,000	-	-	-
Notes and accounts payable	1,074,545	1,074,545	1,074,545	-	-	-
Other payables	325,556	325,556	325,556	-	-	-
Lease liabilities - current and noncurrent	422,076	467,920	143,147	135,494	189,279	-
Long-term borrowings (includes current portion)	1,444,482	1,534,301	1,086,392	193,511	197,982	56,416
Total	**$ 5,635,062**	**5,802,960**	**5,030,278**	**329,005**	**387,261**	**56,416**

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Carrying value	Contractual cash flow	Within 1 year	1-2 years	2-5 years	Over 5 years
March 31, 2025						
Non-derivative financial liabilities						
Short-term borrowings	$ 2,668,613	2,753,459	2,753,459	-	-	-
Short-term notes and bills payable	79,936	80,000	80,000	-	-	-
Notes and accounts payable	761,335	761,335	761,335	-	-	-
Other payables	405,936	405,936	405,936	-	-	-
Lease liabilities - current and noncurrent	559,006	629,046	171,229	151,817	302,382	3,618
Long-term borrowings (includes current portion)	1,168,487	1,192,240	969,937	76,273	84,629	61,401
Total	$ **5,643,313**	**5,822,016**	**5,141,896**	**228,090**	**387,011**	**65,019**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amount.

(iii) Market risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follow:

(In Thousands of Foreign Currencies)

	March 31, 2026			December 31, 2025			March 31, 2025		
	Local currency	Exchange rate	TWD	Local currency	Exchange rate	TWD	Local currency	Exchange rate	TWD
Financial assets:									
Monetary items									
USD	$ 42,530	31.95	1,358,621	41,138	31.38	1,290,910	51,408	33.16	1,704,432
HKD	980	4.05	3,970	882	4.01	3,535	1,342	4.24	5,687
CNY	235	4.62	1,085	590	4.46	2,634	854	4.62	3,944
EUR	896	36.51	32,713	1,043	36.70	38,278	1,123	35.77	40,170
CAD	807	23.04	18,593	1,159	23.04	26,703	534	23.06	12,314
Financial liabilities:									
Monetary items									
USD	73,952	31.95	2,362,397	41,227	31.38	1,293,703	32,536	33.16	1,078,731

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange gain and losses on cash and cash equivalents, accounts receivable, other receivables, accounts payable, other payables, and loans and borrowings, which are denominated in foreign currency. The overall effects to the profit before income tax for the three months ended March 31, 2026 and 2025, assuming the TWD appreciated by 5%, were increase of $47,369 and decrease of $34,390, respectively. The analysis is performed on the same basis for the prior year.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months March 31, 2026 and 2025 the foreign exchange (loss) gain (including both realized and unrealized) amounted to $(34,055) and $10,845, respectively.

(iv) Interest rate analysis

The exposure to interest rate risk for financial assets and liabilities were already discussed in the section on liquidity risk management.

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. For liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The liabilities with variable interest rates of the Group all have related contractual agreements, and the Group calculates interest based on the notice of interest payment provided by the bank. When reporting to management, the interest rate is expressed at a rate of change of 1% (increase and decrease). This rate also represents management's assessment on the reasonable interval of interest rate change.

If the interest rate had increased by 1% at the reporting date, all things held constant, the profit before income tax would have decreased by $11,186 and $9,593 for the three months ended March 31, 2026 and 2025, respectively, which mainly results from bank loans with variable interest rates.

(v) Fair value of financial instruments

Types of financial instruments and fair value.

The carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It shall not include the fair value information of the financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value.

(v) Financial risk management

There were no significant changes in the Group's financial risk management and polices as disclosed in note (6)(v) of the consolidated financial statements for the year ended December 31, 2025.

(w) Capital management

The management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2025. In addition, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2025. Please refer to note (6)(w) of the consolidated financial statements for the year ended December 31, 2025 for further details.

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Investing and financing activities not affecting current cash flow

(i) Please refer to note (6)(f) and (m) sets out information about the right-of-use asset had got from lease.

(ii) Reconciliation of liabilities arising from financing activities were as follows:

				Non-cash changes		
	January 1, 2026	Cash inflow	Cash Outflow	Foreign exchange movement	Increase (decrease) in right-of-use assets and disposal of lease liability	March 31, 2026
Short-term borrowings	$ 2,288,460	1,260,662	(604,147)	23,596	-	2,968,571
Short-term notes and bills payable	79,943	49,960	-	-	-	129,903
Lease liabilities	422,076	-	(35,571)	6,846	30,595	423,946
Long-term borrowings (includes current portion)	1,444,482	94,535	(45,490)	12,324	-	1,505,851
Total liabilities from financing activities	**$ 4,234,961**	**1,405,157**	**(685,208)**	**42,766**	**30,595**	**5,028,271**

				Non-cash changes		
	January 1, 2025	Cash inflow	Cash Outflow	Foreign exchange movement	Increase (decrease) in right-of-use assets and disposal of lease liability	March 31, 2025
Short-term borrowings	$ 2,730,118	812,981	(875,265)	779	-	2,668,613
Short-term notes and bills payable	79,823	113	-	-	-	79,936
Lease liabilities	591,246	-	(36,398)	7,737	(3,579)	559,006
Long-term borrowings (includes current portion)	1,142,518	258,853	(240,547)	7,663	-	1,168,487
Total liabilities from financing activities	**$ 4,543,705**	**1,071,947**	**(1,152,210)**	**16,179**	**(3,579)**	**4,476,042**

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

The Company is the ultimate controlling party of the Group.

(b) Names and relationship with related parties

Name of related party	Relationship with the Group
All directors, directors, general managers, etc.	Key management personnel

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31	
	2026	2025
Short-term employee benefits	$ 7,080	5,037
Post-employment benefits	93	102
Total	$ 7,173	5,139

For the three months ended March 31, 2026, the Group rented 3 vehicles for its management use. The amount of right-of-use depreciation and interest recognized was $312, and the balance of lease liabilities amounted to $799 (including current and non-current).

For the three months ended March 31, 2025, the Group rented 3 vehicles for its management use. The amount of right-of-use depreciation and interest recognized was $799, and the balance of lease liabilities amounted to $2,218 (including current and non-current).

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Pledged to secure	March 31, 2026	December 31, 2025	March 31, 2025
Land ,plant and buildings	Long-term borrowings	$ 243,479	243,983	244,860
Other financial asset — non-current	Long-term borrowings	7,037	6,912	7,029
Guarantee deposits paid	Secured non-financial institution loans and Customs security deposits	10,355	10,349	343
Total		$ 260,871	261,244	252,232

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies:

(a) Unrecognized contractual commitments

(i) The Group has entered into contracts with suppliers for the purchase of copper wire at specified quantities. Pursuant to the contractual terms, the Group may be subject to penalties for breach of the relevant provisions. Furthermore, for advance payments made under the contracts, the Group is entitled to earn an interest differential calculated based on the contractual annual interest rate from the day following the payment date until the end of the month following delivery. The details of the contracts are set out below:

Supplier	Contract Period	Pricing Terms	Product	Breach Clause
A	2026.01~2026.12	Average price (in USD) listed in LME of the previous month, plus, US$393, multiplied by the spot exchange rate released by Bank of Taiwan, plus, an additional amount of $8,600 per ton of conversion cost	525~940 tons of copper wire	Liquidated damages: 10% per annum on the value of the undelivered quantity.
F	2026.01~2026.12	Average price (in USD) listed in LME of the previous month, plus, US$393, multiplied by the spot exchange rate released by Bank of Taiwan, plus, an additional amount of $8,600 per ton of conversion cost	415~950 tons of copper wire	1. Liquidated damages: 10% per annum on the value of the undelivered quantity. 2. For overdue payments, the supplier may repossess the copper raw materials relating to the unpaid portion.

As of March 31, 2026, the Group procured sufficient quantities of copper wire in accordance with its production plans and contractual arrangements.

(ii) The Group's unrecognized contractual commitments are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Construction of plant facilities and acquisition of equipments and software	$ 173,897	44,225	38,728

(iii) Unused letters of credit: None.

(iv) For endarsement and guarantes between related parties, please refer to note (13)(a)(ii).

(b) Significant contingencies: None.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events:

In response to operational needs, the Group obtained approval from the Audit Committee and the Board of Directors on April 10, 2026 to issue its tenth domestic secured convertible bonds. Each bond has a par value of $100, bearing a coupon rate of 0%, and the total aggregate principal amount to be issued is expected to be $500,000.

(12) Other:

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

by Function / by Nature	For the three months ended March 31, 2026			For the three months ended March 31, 2025		
	Operating costs	**Operating expenses**	**Total**	**Operating costs**	**Operating expenses**	**Total**
Employee benefit						
Salaries (including employee remuneration)	85,795	167,728	253,523	60,171	199,712	259,883
Labor and health insurance (Note 1)	5,025	28,474	33,499	5,336	26,930	32,266
Pension (Note 2)	1,678	5,941	7,619	1,700	7,748	9,448
Remuneration of directors	-	400	400	-	400	400
Other employee benefits	2,323	4,646	6,969	2,895	4,298	7,193
Depreciation	19,369	37,923	57,292	19,234	46,033	65,267
Amortization	258	19,983	20,241	255	18,213	18,468

Note 1: Includes local social insurance of China subsidiaries, such as employment injury insurance, maternity insurance, medical insurance, unemployment insurance, and housing provident fund.

Note 2: Includes local endowment insurance of China subsidiaries.

(b) Seasonality of operations

The Group's products are subject to seasonal fluctuations in the United States that usually occur in the second half of the year, wherein the Group incurs higher revenue during the period. Therefore, the Group attempts to minimize the impact on its inventories by properly managing them in order to meet market demands.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions for the three months ended March 31, 2026 required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits (Note 3)	Maximum limit of fund financing (Note 3)
0	The Company	YUE FONG COMPANY LIMITED	Other receivables	Yes	31,945 (USD1,000 thousand)	31,945 (USD1,000 thousand)	15,973	1%	2	-	Business operation	-	-	-	794,950	1,271,919
0	The Company	YFC-EUROPOWERINTERNATIONALCO., LTD. (Note 4)	Other receivables	Yes	204,864 (USD6,452 thousand)	204,864 (USD6,452 thousand)	204,864	-	1	446,404	Business transactions	-	-	-	446,404	446,404
1	EUROPOWER INTERNATIONAL LIMITED	The Company	Other receivables	Yes	734,735 (USD23,000 thousand)	734,735 (USD23,000 thousand)	734,735	-	2	-	Business operation	-	-	-	804,839	804,839
2	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	YFC DEVELOPMENT CORPORATION	Other receivables	Yes	95,835 (USD3,000 thousand)	95,835 (USD3,000 thousand)	91,352	-	2	-	Business operation	-	-	-	3,659,584	3,659,584
2	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	The Company	Other receivables	Yes	367,368 (USD11,500 thousand)	367,368 (USD11,500 thousand)	367,368	-	2	-	Business operation	-	-	-	3,659,584	3,659,584
2	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	PREMIUM-LINE KSI GMBH	Other receivables	Yes	63,546 (EUR1,700 thousand)	62,067 (EUR1,700 thousand)	61,207	-	2	-	Business operation	-	-	-	3,659,584	3,659,584
2	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	YFC BONEAGLE INTERNATIONAL, INC.	Other receivables	Yes	137,364 (USD4,300 thousand)	137,364 (USD4,300 thousand)	136,019	-	2	-	Business operation	-	-	-	3,659,584	3,659,584
3	UNC INVESTMENT & DEVELOMENT INC.	PRIME WIRE & CABLE INC.	Other receivables	Yes	450,425 (USD14,100 thousand)	450,425 (USD14,100 thousand)	431,761	3%	2	-	Business operation	-	-	-	1,765,567	1,765,567
3	UNC INVESTMENT & DEVELOMENT INC.	MONOPRICE INC.	Other receivables	Yes	894,460 (USD28,000 thousand)	894,460 (USD28,000 thousand)	878,488	3%	2	-	Business operation	-	-	-	1,765,567	1,765,567

Note 1: The numbers are filled in as follows:

1. 0 represents the Company
2. Investees are sorted in numerical order starting from 1.

Note 2: Purposes of financing are labelled as follows:

1.1 represents fundings for parties who has business relationship with the Company .

2.2 represents fundings for parties with short-term financing needs.

Note 3: The allowable aggregate amount of financing provided to others may not exceed 40% of the net worth of the Company, and the maximum financing provided to an individual company may not exceed 25% of the net worth of the Company. The allowable aggregate amount of financing provided by subsidiaries to others may not exceed the net worth of the subsidiary, and maximum financing provided to an individual company may not exceed the net worth of the subsidiary. For fundings to companies with business relationships with the Company, the total amount of such fundings shall not exceed the total transaction between the parties during the past year, wherein total transactions refer to the higher of amounts purchased or sold.

Note 4: The funds loaned to YFC EUROPOWER INTERNATIONAL CO., LTD. primarily represented a portion of accounts receivable that have exceeded the normal credit period by more than three months and have been therefore reclassified as loans receivable.

Note 5: In preparing the consolidated financial report, the transactions listed above have been eliminated.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor (Note 1)	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements (Note 3)	Maximum amount for guarantees and endorsements (Note 4)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	WUXI UNIVERSAL NETWORK CORPORATION	1, 2	3,179,798	546,358	546,358	280,607	-	17.18 %	6,359,596	Y	N	Y
0	The Company	YFC-EUROPOWER INTERNATIONAL CO., LTD.	1, 2	3,179,798	150,000	150,000	83,102	-	4.72 %	6,359,596	Y	N	N
0	The Company	YFC BONEAGLE ELECTRONIC TECHNOLOGY PHILS. CORPORATION	1, 2	3,179,798	31,945	31,945	31,945	-	1.00 %	6,359,596	Y	N	N
0	The Company	PRIME WIRE & CABLE, INC.	1, 2	3,179,798	1,277,800	1,277,800	-	-	40.18 %	6,359,596	Y	N	N
1	UNC INVESTMENT & DEVELOMENT INC.	MONOPRICE, INC.	1, 4	1,765,567	383,340	383,340	367,368	-	12.06 %	3,531,134	N	N	N

Note 1: The numbers are filled in as follows:
1. 0 represents the Company.
2. Investees are sorted in numerical order starting from 1.

Note 2: According to the "Guideliness Governing the Preperation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the followings:
1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/ guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The amount of endorsements or guarantees to an individual company may not exceed 20% of the Company’s net worth based on the most current financial statements, and the amount for overseas affiliated companies may not exceed the Company’s net worth. The total amount of endorsements or guarantees provided by the Company and its subsidiaries may not exceed 200% of the Company's current net worth, and the amount of endorsements or guarantees to an individual company may not exceed 20% of the Company’s current net worth. In the event the total amount exceeds more than 50% of the Company’s net worth, an explanation shall be made in the shareholders’ meeting. The amount of endorsements or guarantees provided by subsidiaries to overseas affiliates may not exceed the net worth of the subsidiary. Where endorsements or guarantees are provided to a company due to its business relationship with the Company, the amount may not exceed total transactions in the past year, wherein the transaction amount is the higher of the amount of purchase or sales. Current net worth is based on the most recent audited financial statements.

Note 4: The maximum amount of endorsements for investees have been approved in the board of directors’ meeting.

Note 5: In preparing the consolidated financial report, the transactions listed above have been eliminated.

(iii) Material securities held as of March 31, 2026 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Accounttitle	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
YFC-BONEAGLE ELECTRIC (B.V.I.) CO., LTD.	TAIPIN CIRCULATING ENTERPRISE CO., LTD.	The Company holds around 15.81% shares in the investee.	Non-current financial assets at fair value through other comprehensive	-	-	15.81 %	-	1

Note 1: In 2015, the Group determined that the investee was showing indications of impairments and recognized the full amount of impairment loss. In 2016, the investee ceased its business operation, and have yet to be liquidated as of March 31, 2026.

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

			Transaction details (Note 4)				Transactions with terms different from others		Notes/Accounts receivable (payable) (Note 4)		
Name of company	Related party	Nature of relationship	Purchase/Sale	Amount (Note 1)	Percentage of total purchases (sales)	Payment terms	Unit price	Payment terms	Ending balance (Note 2)	Percentage of total notes/accounts receivable (payable)	Note
The Company	WUXI UNIVERSAL NETWORK CORPORATION	Parent company to subsidary	Purchases	117,465 (USD3,718 thousand)	13.54 %	OA 90 days	-	-	(494,426) (USD15,477 thousand)	(54.72)%	
The Company	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	Parent company to subsidary	Purchases	374,490 (USD11,856 thousand)	43.17 %	OA 90 days	-	-	(285,909) (USD8,950 thousand)	(31.64)%	
PRIME WIRE & CABLE, INC.	The Company	Subsidiary to parent company	Purchases	194,901 (USD6,196 thousand)	32.35 %	OA 90 days	-	-	(148,164) (USD4,627 thousand)	(21.13)%	

Note 1: For transactions in CNY, the amount shown above is the amount (in NTD) recorded on the Company's books. In addition, transactions in USD are translated into NTD using the average exchange rate of 31.5117.

Note 2: Assets denominated in USD are translated into NTD at the exchange rate of 31.9450.

Note 3: In preparing the consolidated financial report, the transactions listed above have been eliminated.

Note 4: Related-party transactions on sales and receivables are disclosed in note (13)(a)(vi).

(v) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue Amount	Overdue Action taken	Amounts received in subsequent period	Allowance for bad debts
The Company	PRIME WIRE & CABLE, INC.	Parent company to subsidiary	Accounts receivable: 148,164	10.52	-	-	-	-
The Company	YFCBONEAGLE INTERNATIONAL, INC.	Parent company to subsidiary	Accounts receivable: 107,672	0.30	-	-	3,193	-
WUXI UNIVERSAL NETWORK CORPORATION	The Company	Subsidiary to parent company	Accounts receivable: 494,426	0.89	-	-	54,877	-
DONGGUAN YFC-BONEAGLEELECTRONIC TECHNOLOGYCO., LTD.	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	Subsidiary to subsidiary	Accounts receivable: 119,507	2.23	-	-	48,055	-
WUXI UNIVERSALNETWORKCORPORATION	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	Subsidiary to subsidiary	Accounts receivable: 115,109	4.20	-	-	-	-
YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	The Company	Subsidiary to parent company	Accounts receivable: 285,909	7.74	-	-	285,909	-
YFC-EUROPOWER INTERNALTIONAL CO., LTD	MONOPRICE INC.	Subsidiary to subsidiary	Accounts receivable: 269,768	0.60	-	-	19,072	-

Note 1: The information above shows subsequent collection of accounts receivable – related party as of May 1, 2026.

Note 2: For transactions in CNY, the amount shown above is the amount (in NTD) recorded on the Company's books. In addition, transactions in USD are translated into NTD using the average exchange rate of 31.5117.

Note 3: Assets denominated in USD are translated into NTD at the exchange rate of 31.9450.

Note 4: In preparing the consolidated financial report, the transactions listed above have been eliminated.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions for the years ended March 31, 2026 (Note 3)			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	PRIME WIRE & CABLE, INC.	1	Sales	194,901	A percentage of gross profit	9%
0	The Company	PRIME WIRE & CABLE, INC.	1	Accounts Receivable	148,164	OA 90 days	2%
0	The Company	PRIME WIRE & CABLE,INC.	1	Other Receivables	465,042	Payment on behalf of the goods	5%
0	The Company	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS.Corp.	1	Other Receivables	467,908	Payment on behalf of the goods	5%
0	The Company	YFC-EUROPOWER INTERNALTIONAL CO.,LTD	1	Other Receivables	204,864	Based on collection status	2%
0	The Company	YFC-EUROPOWER INTERNALTIONAL CO.,LTD	1	Other Receivables	40,399	Payment on behalf of the goods	-%
0	The Company	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS.Corp.	1	Accounts Receivable	107,672	OA 90 days	1%
0	The Company	MONOPRICE INC.	1	Accounts Receivable	95,506	OA 60 days	1%
0	The Company	YUE FONG COMPANY LIMITED	1	Other Receivables	15,973	Based on collection status	-%
1	EUROPOWER INTERNATIONAL LIMITED	The Company	2	Other Receivables	734,735	Based on collection status	8%
1	EUROPOWERINTERNATIONALLIMITED	The Company	2	Other Receivables	54,657	Payment on behalf of the goods	1%
2	DONGGUAN YFC	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS.Corp.	3	Sales	59,856	A percentage of gross profit	3%
2	DONGGUAN YFC	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS.Corp.	3	Accounts Receivable	119,507	OA 90 days	1%
3	WUXI UNIVERSAL	The Company	2	Sales	117,465	A percentage of gross profit	6%
3	WUXI UNIVERSAL	The Company	2	Accounts Receivables	494,426	OA 90 days	5%
3	WUXI UNIVERSAL	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	3	Sales	99,697	A percentage of gross profit	5%
3	WUXI UNIVERSAL	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	3	Accounts Receivable	115,109	OA 90 days	1%
3	WUXI UNIVERSAL	YUE FONG COMPANY LIMITED	3	Accounts Receivables	28,084	OA 90 days	-%
3	WUXI UNIVERSAL	PREMIUM-LINE KSI GMBH	3	Accounts Receivable	24,680	OA 90 days	-%
4	UNC INVESTMENT & DEVELOPMENT INC.	MONOPRICE INC.	3	Other Receivables	878,488	Based on collection status	9%
4	UNC INVESTMENT & DEVELOPMENT INC.	PRIME WIRE & CABLE,INC.	3	Other Receivables	431,761	Based on collection status	4%
5	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	The Company	2	Sales	374,490	A percentage of gross profit	18%

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions for the years ended March 31, 2026 (Note 3)			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
5	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	The Company	2	Accounts Receivable	285,909	OA 90 days	3%
5	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	YFC DEVELOPMENT CORPORATION	3	Other Receivables	72,415	Payment on behalf of the construction costs	1%
5	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	WUXI UNIVERSAL	3	Accounts Receivable	30,665	OA 90 days	-%
6	YFC-EUROPOWER INTERNALTIONAL CO., LTD	BESTLINK NETWARE INC.	3	Sales	34,662	A percentage of gross profit	2%
6	YFC-EUROPOWER INTERNALTIONAL CO., LTD	BESTLINK NETWARE INC.	3	Accounts Receivable	89,168	OA 60 days	1%
6	YFC-EUROPOWER INTERNATIONAL CO., LTD.	MONOPRICE INC.	3	Sales	41,110	A percentage of gross profit	2%
6	YFC-EUROPOWER INTERNATIONAL CO., LTD.	MONOPRICE INC.	3	Accounts Receivable	269,768	OA 60 days	3%
6	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	YFC-BONEAGLE INTERNATIONAL,INC.	3	Accounts Receivable	35,290	OA 90 days	-%
7	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	The Company	2	Other Receivable	367,368	Based on collection status	4%
7	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	YFC-BONEAGLE INTERNATIONAL, INC.	3	Other Receivable	136,019	Based on collection status	1%
7	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	YFC DEVELOPMENT CORPORATION	3	Other Receivable	91,352	Based on collection status	1%
7	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	PREMIUM-LINE KSI GMBH	3	Other Receivable	61,207	Based on collection status	1%
7	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	The Company	2	Other Receivable	22,110	Payment on behalf of the goods	-%

Note 1: The numbers are filled in as follows:
1. 0 represents the Company.
2. Investees are sorted in numerical order starting from 1.

Note 2: The nature of the relationship is labelled as follows:
1. represents transactions from the Company to subsidiaries.
2. represents transactions from subsidiaries to the Company.
3. represents transactions between subsidiaries.

Note 3: For business transactions between the Company and its subsidiaries, only the information on sales and accounts receivable are disclosed; the corresponding purchase and accounts payable are not listed.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2026 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of investee	Investment income (loss)	Note
				March 31, 2026	December 31, 2025	Shares (thousands)	Percentage of Ownership	Carrying value			
The Company	YFC-BONEAGLE ELECTRIC (B.V.I.) CO., LTD.	B.V.I.	Holding company set up for investments in Philippines, China and USA	1,898,507 (USD56,176 thousand)	1,898,507 (USD56,176 thousand)	53,906	100.00 %	3,603,606	(18,999)	(42,936)	The difference between the subsidary's profit and loss, and the Company's recognized profit and loss was due to the increasing in downstream unrealized gain amounting to $25,597 and the decreasing in sidestream unrealized gain amounting to $1,660.
〃	BESTLINK NETWARE INC.	USA	Trading business	31,393 (USD1,000 thousand)	31,393 (USD1,000 thousand)	1,000	100.00 %	29,693	149	149	
〃	UNC INVESTMENT & DEVELOPMENT, INC.	USA	Real estate investment business	1,496 (USD50 thousand)	1,496 (USD50 thousand)	50	100.00 %	1,765,567	9,654	9,654	
〃	PREMIUM-LINE KSI GMBH	Austria	Trading business	28,193 (EUR600 thousand)	28,193 (EUR600 thousand)	-	100.00 %	(89,063)	302	302	
〃	MONOPRICE HOLDINGS, INC	USA	Holding company set up for investments in USA	1,031,853 (USD32,507 thousand)	1,031,853 (USD32,507 thousand)	100	100.00 %	(5,446)	(33,878)	(33,878)	
〃	PREMIUM-LINE SYSTEMS GMBH	Germany	Trading business	1,503 (EUR43 thousand)	1,503 (EUR43 thousand)	-	100.00 %	456	-	-	
〃	YUE FONG COMPANY LIMITED	Vietnam	Trading business	5,989 (USD200 thousand)	5,989 (USD200 thousand)	-	100.00 %	(19,760)	(1,530)	(1,530)	
〃	YFC-EUROPOWER INTERNATIONAL CO., LTD.	Taiwan	Trading business	500	500	50	100.00 %	23,300	3,573	3,573	
YFC-BONEAGLE ELECTRIC (B.V.I.) CO., LTD.	YFC-BONEAGLE HOLDINGS (CAYMANS) CO., LTD.	CAYMANS	Holding company set up for investments in China and USA	587,694 (USD17,307 thousand)	587,694 (USD17,307 thousand)	22,807	100.00 %	1,230,558	(4,420)	(4,420)	
〃	EUROPOWER INTERNATIONAL LIMITED	B.V.I	Trading business	161,778 (USD4,890 thousand)	161,778 (USD4,890 thousand)	4,890	100.00 %	804,839	(1,264)	(1,264)	
〃	UNIVERSAL NETWORK CORPORATION	Samoa	Holding company set up for investments in China	646,459 (USD20,000 thousand)	646,459 (USD20,000 thousand)	20,000	100.00 %	558,307	(43,748)	(43,748)	
〃	PREMIUM LINE ASIA LTD.	Samoa	Trading business	1,472 (USD50 thousand)	1,472 (USD50 thousand)	50	100.00 %	673	11	11	
〃	YFC-BONEAGLE INTERNATIONAL, INC	Philippines	Trading business	18,558 (USD653 thousand)	18,558 (USD653 thousand)	673	100.00 %	(19,334)	1,269	1,269	
〃	YFC DEVELOPMENT CORPORATION	Philippines	Real estate investment business	608 (USD20 thousand)	608 (USD20 thousand)	75	100.00 %	(1,898)	(62)	(62)	
"	YFC BONEAGLE ELECTRONIC TECHNOLOGY PHILS. CORPORATION	Philippines	Manufacturing and sales of power cable, wires, network equipment and cable	308,257 (USD9,800 thousand)	308,257 (USD9,800 thousand)	200	100.00 %	433,338	22,934	22,934	
〃	BESZIN COPORATION INC.	Samoa	Trading business	3,085 (USD100 thousand)	3,085 (USD100 thousand)	1,000	100.00 %	15,117	13	13	
YFC-BONEAGLE HOLDINGS (CAYMANS) CO., LTD.	PRIME WIRE & CABLE, INC.	USA	Sale of electronic calculator software and hardware, network equipment and electronic appliances	511,700 (USD15,500 thousand)	511,700 (USD15,500 thousand)	15,500	100.00 %	1,079,490	(657)	(657)	
MONOPRICE HOLDINGS, INC	MONOPRICE, INC.	USA	Trading business	1,031,853 (USD32,507 thousand)	1,031,853 (USD32,507 thousand)	500	100.00 %	(5,446)	(33,878)	(33,878)	

Note: In preparing the consolidated financial report, the transactions listed above have been eliminated.

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note1)	Accumulated outflow of investment from Taiwan as of January 1, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2026 (Note 3)	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Carrying amount as of March 31, 2026	Accumulated remittance of earnings in current period
					Outflow	Inflow						
DONGGUAN YFC-BONEAGLE ELECTRONIC TECHNOLOGY CO., LTD.	Manufacturing and sale of power cables, wires, and outlets	77,420 (USD1,887 thousand)	(2)	77,420 (USD1,887 thousand)	-	- (USD - thousand)	77,420 (USD1,887 thousand)	(3,553)	100.00%	(3,553) (1)	127,639	-
WUXI UNIVERSAL NETWORK CORPORATION	Manufacturing and sale of high-speed high-frequency LAN cables	646,459 (USD20,000 thousand)	(2)	646,459 (USD20,000 thousand)	-	-	646,459 (USD20,000 thousand)	(43,220)	100.00%	(43,220) (1)	554,120	-
CHENZHOU YFC-BONEAGLE ELECTRONIC CO., LTD.	Processing and sale of communication products and internet cables	- (USD - thousand)	(2)	9,593 (USD300 thousand)	-	-	9,593 (USD300 thousand)	-	-%	- (1)	- (Note 5)	-
T-MARK	Wholesaling business	900,877 (HKD234,228 thousand)	(2)	167,022 (HKD42,000 thousand)	-	-	167,022 (HKD42,000 thousand)	-	15.81%	- (2)	(Note 6)	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Department of Investment Review, MOEA (Note 3 and 5)	Upper Limit on Investment (Note 4)
888,589 (USD27,500 thousand)	895,356 (USD27,421 thousand)	-

Note 1: The method of investments are as follows:

(1) Direct investment in subsidiaries in Mainland China.

(2) Indirect investment through investment holdings companies

(3) Others

Note 2: The investment gains and losses for the period are:

(1) recognized based on the Company's financial statements, as reviewed by the CPA

(2) not recognized as profit or loss, and is instead recognized as financial asset at the fair value of the investment

Note 3: The amount authorized does not include the reinvestment of earnings of the subsidiary DONGGUAN YFC, which amounted to USD379 thousand.

Note 4: The limitation on investment in Mainland China is calculated as 60% of the net worth of the Company. The Group has acquired the relevant investment approval documents issued by Industrial Development Administration, Ministry of Economic Affairs on May 8, 2023, and it is applicable from May 4, 2023 to May 3, 2026. Therefore, there is no restriction on the Company's investment in Mainland China. In April 2026, the Group applied to the competent authority for continued recognition as an operational headquarters. As of the reporting date, the application remains subject to the approval of the competent authority.

Note 5: In June 2023, the Group liquidated CHENZHOU YFC, an immaterial subsidiary, at the amount of $9,593 (USD 300 thousand), which had been written-off, with approval of the Department of Investment Review, MOEA in August 2023.
Due to the deficits incurred by CHENZHOU YFC, there were no funds available to be remitted to Taiwan, and therefore, the cumulative investment amount of CHENZHOU YFC from Taiwan to mainland China was not deducted.

Note 6: Please refer to note (13)(a)(iii) for details..

Note 7: In preparing the consolidated financial report, the transactions listed above have been eliminated.

(iii) Significant transactions:

Please refer to "Information on significant transaction" for the information on significant direct or indirect transactions, which were eliminated in the preparation of consolidated financial statements, between the Group and the investee companies in Mainland China during the three months ended March 31, 2026 .

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

(a) General information

The major operating segments of the Group are the manufacturing, wholesaling and online retailing segment. The manufacturing segment manufactures different types of cables, power cords, power outlets, and high-speed high-frequency LAN cables. The wholesaling segment engages in the sale products such as cord, cord sets, and network cabling system. The online retailing segment engages in the sale of products through the usage of information and communications technology and the internet.

(b) Profit or loss of reporting segments, assets, liabilities, basis of measurement and reconciliation

The operating segment information and reconciliation were as follows:

	For the three months ended March 31, 2026				
	Manufacturing	**Wholesaling**	**Online retailing**	**Adjustments and elimination**	**Total**
Revenue:					
Revenue from external customers	$ 831,397	741,752	536,988	-	2,110,137
Inter-segment revenue	869,494	86,103	217	(955,814)	-
Total revenues	**$ 1,700,891**	**827,855**	**537,205**	**(955,814)**	**2,110,137**
Reportable segment profit or loss	**$ (64,646)**	**17,326**	**(33,729)**	**46,254**	**(34,795)**

	For the three months ended March 31, 2025				
	Manufacturing	**Wholesaling**	**Online retailing**	**Adjustments and elimination**	**Total**
Revenue:					
Revenue from external customers	$ 1,018,462	630,074	636,725	-	2,285,261
Inter-segment revenue	1,359,197	160,625	-	(1,519,822)	-
Total revenues	**$ 2,377,659**	**790,699**	**636,725**	**(1,519,822)**	**2,285,261**
Reportable segment profit or loss	**$ (23,106)**	**(63,784)**	**(40,031)**	**82,341**	**(44,580)**

	Manufacturing	**Wholesaling**	**Online retailing**	**Adjustments and elimination**	**Total**
Reportable segment assets：					
March 31, 2026	**$ 12,776,005**	**5,445,303**	**2,121,827**	**(10,635,698)**	**9,707,437**
December 31, 2025	**$ 11,500,184**	**4,728,857**	**2,187,911**	**(9,330,333)**	**9,086,619**
March 31, 2025	**$ 12,219,227**	**5,078,565**	**2,733,116**	**(10,646,413)**	**9,384,495**
Reportable segment liabilities：					
March 31, 2026	**$ 7,678,169**	**2,688,856**	**2,097,580**	**(5,936,966)**	**6,527,639**
December 31, 2025	**$ 6,429,501**	**2,035,982**	**2,130,505**	**(4,668,846)**	**5,927,142**
March 31, 2025	**$ 7,111,565**	**2,306,259**	**2,611,737**	**(5,960,460)**	**6,069,101**