

**PAN-INTERNATIONAL INDUSTRIAL CORP. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Stock Code: 2328)**

Company Address: 6F., No. 200, Jian 8th Rd., Zhonghe Dist., New Taipei City

Tel: (02)2211-3066

Notice to Readers

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

PAN-INTERNATIONAL INDUSTRIAL CORP. AND

SUBSIDIARIES

The years 2025 and 2024 Consolidated Financial Statements and

Independent Auditors' Review Report

Table of Contents

	<u>Item</u>	<u>Page</u>
I.	Cover Page	1
II.	Table of Contents	2
III.	Statement	3
IV.	Independent Auditors' Review Report	4~8
V.	Consolidated Balance Sheets	9~10
VI.	Consolidated Statements of Comprehensive Income	11
VII.	Consolidated Statements of Changes in Equity	12
VIII.	Consolidated Statements of Cash Flows	13
IX.	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	14~63
	(I) General Information	14
	(II) Approval of Financial Statements Date and Process	14
	(III) Application of New Standards, Amendments and Interpretations	14~16
	(IV) Summary of Significant Accounting Policies	16~32
	(V) Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty	32~33
	(VI) Descriptions of Material Accounting Items	33~54
	(VII) Related Parties Transactions	54~57
	(VIII) Pledged Assets	57
	(IX) Significant Contingent Liabilities and Unrecognized Contract Commitments	58
	(X) Losses due to Major Disasters	58
	(XI) Significant Subsequent Events	58
	(XII) Others	58~68
	(XIII) Separately Disclosed Items	68~69
	(XIV) OPERATING SEGMENTS INFORMATION	69~71

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES

Representation Letter of Consolidated Financial Statements of Affiliated

Enterprises

The Corporation, for the year 2025 (from January 1, 2025 to December 31, 2025), is required to include in the preparation of the consolidated financial statements of affiliates, the companies that should be included in the preparation of consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10 are the same. Furthermore, the related information that should be disclosed in the consolidated financial statements of affiliates has already been disclosed in the previously mentioned consolidated financial statements of parent and subsidiary companies. Therefore, the consolidated financial statements of affiliates are not prepared separately.

Hereby Statement

Company: Pan-International Industrial Corp.

Responsible Person: Kuang-Ya Lee

March 11, 2026

Independent Auditors' Review Report

(2026) Financial Audit Report No. 25004714

To the Board of Directors and Shareholders of Pan-International Industrial Corp.

Audit Opinion

The consolidated balance sheets of Pan-International Industrial Corp. and its subsidiaries (hereinafter referred to as the "Pan-International Group") as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the years ended January 1 to December 31, 2025 and 2024, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies), have been audited by our accountants.

In our opinion, based on the results of our audit and the audit reports of other auditors (please refer to the Other Matters paragraph), the aforementioned consolidated financial statements have been prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations, and interpretation announcements endorsed and issued into effect by the Financial Supervisory Commission. They fairly present the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the periods from January 1 to December 31, 2025 and 2024.

Basis for Audit Opinion

We conducted our audit in accordance with the Rules for Auditing and Certification of Financial Statements by a CPA and the auditing standards in the Republic of China. The responsibility of the CPA under those standards is further described in the auditors' responsibilities for the audit of the consolidated financial statements section. The personnel of the firm to which our CPA belongs, who are subject to independence regulations, have remained independent of Pan-International Group in accordance with the Code of Ethics for CPAs in the Republic of China and have fulfilled other responsibilities under this code. Based on the results of our audit and the audit reports of other auditors, we believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in the audit of Pan-International Group's consolidated financial statements for the year 2025. These matters were addressed in the audit of the consolidated financial statements as a whole and in forming our audit opinion, and we do not provide a separate opinion on these matters.

Key Audit Matters for the Pan-International Group's consolidated financial statements for the year 2025 are as follows:

Evaluation of allowance for valuation loss of inventories

Remark

Please refer to Note 4(14) of the NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the accounting policy on inventory valuation; refer to Note 5(2) for uncertainties in accounting estimates and assumptions of inventory valuation; and refer to Note 6(5) for a description of inventory items in the NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS. As of December 31, 2025, Inventories and Allowance for Valuation Loss of the Clevo Group were NT\$3,671,861 thousand and NT\$171,720 thousand, respectively.

The Group primarily manufactures and sells computer peripherals, automotive wire harnesses, industrial control products, and medical equipment-related electronic products. Due to the rapid pace of technological change, these inventories have short life cycles and are susceptible to market price fluctuations, resulting in a higher risk of inventory impairment loss or obsolescence. For the inventories normally sold by the Kuan Yu Group, they are measured at the lower of cost and net realizable value; the aforementioned allowance for valuation loss of inventories primarily arises from items that are obsolete or damaged, with the net realizable value estimated based on historical experience in handling obsolete inventories. Due to the significant amount of inventories held by Pan-International Group, the numerous items, and the involvement of manual judgment in individually identifying obsolete or damaged inventories, this area requires judgment during the audit. Therefore, we have identified the evaluation of allowance for valuation loss of inventories for Pan-International Group as one of the Key Audit Matters.

Audit procedures in response

The audit procedures performed by the CPA for the allowance for valuation loss of obsolete and damaged inventories are as follows:

1. Assess whether the policy for recognizing the allowance for inventory valuation losses has been applied consistently across the periods presented in the financial statements, and evaluated the reasonableness of such policy.
2. Verify the appropriateness of the system logic used by management for the evaluation of inventories aging reports to ensure that the report information is consistent with their policy.
3. Discuss with management and obtain supporting documents for the estimated net realizable value of obsolete and damaged inventory items in order to assess the reasonableness of the determination of the allowance for valuation loss.

Other Matter - Reference to Audits of Other Independent Auditors

The financial statements of certain subsidiaries included in the consolidated financial statements of Pan-International Group were not audited by us, but were audited by other CPAs. We have performed necessary audit procedures on the adjustments made to convert these companies' financial statements to conform with consistent accounting policies. Therefore, in the opinion we expressed on the aforementioned consolidated financial statements, the amounts of these subsidiaries' financial

statements before adjustments are based on the audit reports of other CPAs. The total assets of these subsidiaries as of December 31, 2025 and 2024 amounted to NT\$6,469,289 thousand and NT\$6,577,272 thousand, respectively, representing 27% and 27% of the consolidated total assets. The net revenue for the period from January 1 to December 31, 2025 and 2024 were NT\$6,738,480 thousand and NT\$7,127,608 thousand, respectively, representing 31% and 33% of the consolidated net revenue.

Other Matter - Issuance of Audit Report on Individual Financial Statements

Pan-International Industrial Corp. has prepared the individual financial statements for the years 2025 and 2024, which have been issued with an unqualified opinion with an emphasis on other matters—referring to the audit reports of other accountants on record, for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations, and interpretation announcements endorsed and issued into effect by the Financial Supervisory Commission. Management must also maintain the necessary internal control related to the preparation of consolidated financial statements to ensure that they are free from material misstatements, whether due to fraud or error.

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

The governance unit of the Kuan-Yu Group (including the Audit Committee) is responsible for overseeing the financial reporting process.

auditors' responsibilities for the audit of the consolidated financial statements

The purpose of the CPA's audit of the consolidated financial statements is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but an audit conducted in accordance with the auditing standards of the Republic of China cannot guarantee that a material misstatement in the consolidated financial statements will be detected. Misstatements may result from fraud or error. If an individual amount or aggregate of misstatements could reasonably be expected to influence the economic decisions of users of the financial statements, it is considered material.

When auditing in accordance with the auditing standards of the Republic of China, we exercise professional judgment and maintain professional skepticism. The CPA also performed the following tasks:

1. Identifying and assessing the risks of material misstatement of the consolidated financial statements due to fraud or error; designing and implementing appropriate responses to the assessed risks; and obtaining sufficient and appropriate audit evidence to provide a basis for the audit opinion. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls, the risk of failing to detect a material misstatement resulting from fraud is higher than that resulting from error.
2. To obtain the necessary understanding of internal control relevant to the audit in order to design appropriate audit procedures for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pan-International Group's internal control.
3. Evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures made by them.
4. Based on the audit evidence obtained, conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If the CPA believes that there is a material uncertainty regarding such events or conditions, it is necessary to draw attention in the audit report to the related disclosures in the consolidated financial statements, or to modify the audit opinion if such disclosures are inadequate. The Conclusion of the CPA is based on the audit evidence obtained as of the date of the audit report. However, future events or conditions may cause the Group to cease to have the ability to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including the related notes), and whether the consolidated financial statements appropriately reflect the related transactions and events.
6. To obtain sufficient and appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. The CPA is responsible for guiding, supervising, and executing the audit of the group engagement, and for forming the group audit opinion.

The matters communicated by the CPA with the governance unit include the planned scope and the timing of the audit, and significant audit findings (including any significant deficiencies in internal control identified during the audit process).

The CPA also provided the governance unit with a statement that the personnel of the firm to which our CPA belongs have complied with the independence regulations in the Code of Ethics for CPAs in the Republic of China. Additionally, all relationships and Other Matters that might be considered to affect the CPA's independence (including relevant safeguards) were communicated with the governance unit.

From the matters communicated with those charged with governance, the CPA determined the Key Audit Matters for the audit of Pan-International Group's consolidated financial statements for

the year 2025. The CPA has communicated in the audit report the matters required to be communicated, unless disclosure of specific matters is prohibited by law or regulation, or in extremely rare circumstances, the CPA determines that a matter should not be communicated in the audit report because the adverse consequences of doing so can reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers, Taiwan

Jen-Chieh Wu

CPA

Chieh-Ju Hsu

Financial Supervisory Commission Approval Number:

FSC-Securities-Review No. 1120348565

FSC-Securities-Review No. 1100348083

March 11, 2026

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

For the Years Ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
CURRENT ASSETS						
1100	Cash and cash equivalents	6(1)	\$ 6,340,801	26	\$ 6,754,713	27
1110	Financial assets at fair value through profit or loss - current	6(2)	533,493	2	11,767	-
1136	Financial assets at amortized cost - current	6(3) and 8	499,544	2	940,684	4
1150	Notes receivable	6(4)	96,419	-	425,217	2
1170	Accounts receivable, net	6(4)	2,622,640	11	3,391,375	14
1180	Accounts Receivable - Related Parties, Net	7	2,554,204	11	1,863,560	8
1200	Other receivables	6(6)	966,651	4	136,115	-
130X	Inventories	6(5)	3,500,141	15	3,793,072	15
1470	Other current assets		289,169	1	259,804	1
11XX	Total current assets		<u>17,403,062</u>	<u>72</u>	<u>17,576,307</u>	<u>71</u>
NON-CURRENT ASSETS						
1517	Financial assets at FVTOCI - non-current	6(6)	1,089,645	5	1,589,978	7
1535	Financial Assets Measured at Amortized Cost - Non-current	6(3) and 8	291,798	1	290,000	1
1550	Investments accounted for using the equity method	6(7)	536,028	2	583,344	2
1600	Property, plant and equipment	6(8) and 8	4,026,626	17	3,830,436	16
1755	Right-of-use assets	6(9) and 7	378,951	2	471,685	2
1760	Investment properties, net	6(10) and 8	123,849	1	107,375	1
1780	Intangible assets	6(11)	72,132	-	67,514	-
1840	Deferred tax assets	6(25)	53,616	-	50,416	-
1900	Other non-current assets		81,024	-	71,049	-
15XX	Total non-current assets		<u>6,653,669</u>	<u>28</u>	<u>7,061,797</u>	<u>29</u>
1XXX	TOTAL ASSETS		<u>\$ 24,056,731</u>	<u>100</u>	<u>\$ 24,638,104</u>	<u>100</u>

(Continued)

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

For the Years Ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
CURRENT LIABILITIES						
2100	Short-term borrowings	6(12)	\$ 892,740	4	\$ 1,039,279	4
2130	Contract liabilities - current	6(20)	107,327	-	104,053	1
2150	Notes payable		155,554	1	881,634	4
2170	Accounts payable		3,005,668	13	3,469,237	14
2180	Accounts payable to related parties	7	788,412	3	774,476	3
2200	Other payables	6(13)	1,126,119	5	1,149,598	5
2230	Current tax liabilities		104,085	-	77,856	-
2280	Lease liabilities - current		105,182	-	104,036	-
2300	Other current liabilities		21,418	-	18,567	-
21XX	Total current liabilities		<u>6,306,505</u>	<u>26</u>	<u>7,618,736</u>	<u>31</u>
NON-CURRENT LIABILITIES						
2570	Deferred tax liabilities	6(25)	351,386	2	309,814	1
2580	Lease liabilities - non-current		95,296	-	185,056	1
2600	Other non-current liabilities		50,113	-	38,631	-
25XX	Total non-current liabilities		<u>496,795</u>	<u>2</u>	<u>533,501</u>	<u>2</u>
2XXX	TOTAL LIABILITIES		<u>6,803,300</u>	<u>28</u>	<u>8,152,237</u>	<u>33</u>
Equity attributed to the owners of the parent company						
Capital stock						
3110	Share Capital	6(15)	5,183,462	22	5,183,462	21
Capital surplus						
3200	Capital surplus	6(16)	1,503,606	6	1,503,606	6
Retained Earnings						
3310	Legal reserve	6(17)	1,641,445	7	1,526,876	6
3320	Special reserve		1,009,922	4	1,410,735	6
3350	Unappropriated earnings		6,532,209	27	5,664,293	23
Other equity						
3400	Other equity	6(18)	(957,155)	(4)	(1,009,923)	(4)
31XX	Total Equity Attributable to Owners of Parent Company		<u>14,913,489</u>	<u>62</u>	<u>14,279,049</u>	<u>58</u>
36XX	Non-controlling Interests	6(19)	<u>2,339,942</u>	<u>10</u>	<u>2,206,818</u>	<u>9</u>
3XXX	TOTAL EQUITY		<u>17,253,431</u>	<u>72</u>	<u>16,485,867</u>	<u>67</u>
3X2X	TOTAL LIABILITIES AND EQUITY		<u>\$ 24,056,731</u>	<u>100</u>	<u>\$ 24,638,104</u>	<u>100</u>

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2025 and 2024

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

Item	Notes	2025		2024		
		Amount	%	Amount	%	
4000	Operating revenue	6(20) and 7	\$ 21,770,839	100	\$ 21,820,835	100
5000	Operating costs	6(5) and 7	(19,110,482)	(88)	(18,874,257)	(86)
5900	Gross profit		2,660,357	12	2,946,578	14
	OPERATING EXPENSES	6(23)				
6100	Selling and marketing expenses		(281,126)	(1)	(297,185)	(2)
6200	General and administrative expenses		(813,740)	(4)	(912,143)	(4)
6300	Research and development expenses		(424,104)	(2)	(453,132)	(2)
6450	Impairment loss determined in accordance with IFRS 9	12(2)	1,389	-	(2,202)	-
6000	Total operating expenses		(1,517,581)	(7)	(1,664,662)	(8)
6900	Operating Profit		1,142,776	5	1,281,916	6
	NON-OPERATING INCOME AND EXPENSES					
7100	Interest income		130,646	1	147,311	1
7010	Other income		126,995	-	154,137	1
7020	Other gains and losses	6(22)	(26,449)	-	41,229	-
7050	Finance costs	6(24)	(35,905)	-	(65,685)	-
7060	Share of profit or loss of associates and joint ventures accounted for using the equity method	6(7)	(39,761)	-	(92,687)	(1)
7000	Total non-operating income and expenses		155,526	1	184,305	1
7900	Income before income tax		1,298,302	6	1,466,221	7
7950	Income tax expenses	6(25)	(411,240)	(2)	(264,870)	(1)
8200	Net profit for the period		\$ 887,062	4	\$ 1,201,351	6
	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans	6(14)	\$ 5,083	-	\$ 9,787	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	6(18)	361,201	1	(55,873)	-
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently	6(25)	(1,017)	-	(1,958)	-
8310	Items that will not be reclassified to profit or loss		365,267	1	(48,044)	-
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on foreign operations translations	6(18)	147,951	1	741,805	3
8360	Total of Items That May Be Reclassified to Profit or Loss		147,951	1	741,805	3
8300	Other Comprehensive Income (Net)		\$ 513,218	2	\$ 693,761	3
8500	Total comprehensive income for the period		\$ 1,400,280	6	\$ 1,895,112	9
	Net Income Attributable to:					
8610	Owners of the Corporation		\$ 808,189	4	\$ 1,036,672	5
8620	Non-controlling Interests		78,873	-	164,679	1
			\$ 887,062	4	\$ 1,201,351	6
	Total Comprehensive Income (Loss) Attributable to:					
8710	Owners of the Corporation		\$ 1,204,621	5	\$ 1,546,502	7
8720	Non-controlling Interests		195,659	1	348,610	2
			\$ 1,400,280	6	\$ 1,895,112	9
	Earnings Per Share	6(26)				
9750	Basic earnings per share		\$ 1.56		\$ 2.00	
9850	Diluted earnings per share		\$ 1.56		\$ 1.99	

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

	Notes	Equity attributed to the owners of the parent company										Total	Non-controlling Interests	Total equity	
		Capital surplus			Retained Earnings			Other equity							
		Share Capital	Capital surplus - issuance premium	Capital surplus - treasury stock transactions	Capital surplus - difference between acquisition or disposal price and carrying amount of subsidiaries' equity	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on foreign operations translations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income					
2024															
Balance as of January 1		\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,401,022	\$ 1,385,207	\$ 5,343,835	(\$ 1,142,062)	(\$ 268,673)	\$ 13,406,397	\$ 1,941,812	\$ 15,348,209		
Net profit for the period		-	-	-	-	-	-	1,036,672	-	-	1,036,672	164,679	1,201,351		
Other comprehensive income (loss) for the period	6(18)(19)	-	-	-	-	-	-	7,535	558,168	(55,873)	509,830	183,931	693,761		
Total comprehensive income for the period		-	-	-	-	-	-	1,044,207	558,168	(55,873)	1,546,502	348,610	1,895,112		
2023 Earnings Distribution and Appropriation:	6(17)														
Legal reserve appropriated		-	-	-	-	125,854	-	(125,854)	-	-	-	-	-		
Special reserve appropriated		-	-	-	-	-	25,528	(25,528)	-	-	-	-	-		
Cash dividends to shareholders		-	-	-	-	-	-	(673,850)	-	-	(673,850)	-	(673,850)		
Decrease in non-controlling interests	6(19)	-	-	-	-	-	-	-	-	-	-	(83,604)	(83,604)		
Disposal of Investments in Equity Instruments Measured at Fair Value Through Other Comprehensive Income	6(6)	-	-	-	-	-	-	101,483	-	(101,483)	-	-	-		
Balance as of December 31		\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,526,876	\$ 1,410,735	\$ 5,664,293	(\$ 583,894)	(\$ 426,029)	\$ 14,279,049	\$ 2,206,818	\$ 16,485,867		
2025															
Balance as of January 1		\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,526,876	\$ 1,410,735	\$ 5,664,293	(\$ 583,894)	(\$ 426,029)	\$ 14,279,049	\$ 2,206,818	\$ 16,485,867		
Net profit for the period		-	-	-	-	-	-	808,189	-	-	808,189	78,873	887,062		
Other comprehensive income (loss) for the period	6(18)(19)	-	-	-	-	-	-	3,942	31,289	361,201	396,432	116,786	513,218		
Total comprehensive income for the period		-	-	-	-	-	-	812,131	31,289	361,201	1,204,621	195,659	1,400,280		
2024 Earnings Distribution and Appropriation:	6(17)														
Legal reserve appropriated		-	-	-	-	114,569	-	(114,569)	-	-	-	-	-		
Reversal of special reserve		-	-	-	-	-	(400,813)	400,813	-	-	-	-	-		
Cash dividends to shareholders		-	-	-	-	-	-	(570,181)	-	-	(570,181)	-	(570,181)		
Decrease in non-controlling interests	6(19)	-	-	-	-	-	-	-	-	-	-	(62,535)	(62,535)		
Disposal of Investments in Equity Instruments Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-	339,722	-	(339,722)	-	-	-		
Balance as of December 31		\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,641,445	\$ 1,009,922	\$ 6,532,209	(\$ 552,605)	(\$ 404,550)	\$ 14,913,489	\$ 2,339,942	\$ 17,253,431		

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

		(In Thousands of New Taiwan Dollars)	
	Notes	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before income tax		\$ 1,298,302	\$ 1,466,221
Adjustment Items			
Profit and loss items			
Depreciation Expenses and Amortization	6(23)	666,681	686,653
Expected Credit Impairment (Gain) Loss	12(2)	(1,389)	2,202
Net Gain on Financial Assets and Liabilities Measured at Fair Value through Profit or Loss	6(22)		
Interest expenses		(13,313)	(393)
Interest income	6(24)	35,905	65,685
Dividend income		(130,646)	(147,311)
Share of profit or loss of associates accounted for using the equity method	6(21)	(37,380)	(24)
Net (gains) losses on disposal of property, plant and equipment	6(7)	39,761	92,687
Net (gains) losses on disposal of property, plant and equipment	6(22)	(13,699)	6,734
Net Changes in Operating Assets/Liabilities			
Net changes in operating assets			
Notes receivable		319,961	(313,144)
Accounts receivable		818,804	142,368
Accounts Receivable - Related Parties		(673,381)	1,103,112
Other receivables		(53,948)	10,203
Inventories		367,313	131,344
Other current assets		(23,916)	(58,497)
Net changes in operating liabilities			
Contract liabilities		3,275	(77,323)
Notes payable		(703,069)	(195,246)
Accounts payable		(480,741)	(423,660)
Accounts Payable - Related Parties		10,917	(883,391)
Other payables		(36,689)	(164,741)
Other current liabilities		2,074	(9,523)
Other non-current liabilities		(610)	7,592
Cash inflow from operations		1,394,212	1,441,548
Income tax paid		(328,648)	(468,291)
Net cash inflow from operating activities		<u>1,065,564</u>	<u>973,257</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of Financial Assets or Liabilities Measured at Fair Value Through Profit or Loss		(655,518)	-
Disposal of Financial Assets or Liabilities Measured at Fair Value Through Profit or Loss		167,467	199
Disposal of financial assets at FVTOCI	6(6)(27)	-	242,096
Decrease (Increase) in Financial Assets Measured at Amortized Cost		417,198	40,667
Refund of Share Capital from Financial Assets Measured at Fair Value Through Other Comprehensive Income		12,394	68,968
Acquisition of Property, Plant and Equipment Assets	6(27)	(651,847)	(958,497)
Proceeds from disposal of property, plant and equipment		52,985	10,565
Purchase of intangible assets	6(11)	(4,971)	(13,581)
Refundable deposits paid additions		(5,494)	(8,100)
Additions to Other Non-Current Assets		(13,214)	(31,745)
Interest Received		130,646	147,311
Dividends Received		37,380	24
Net cash used in investing activities		<u>(512,974)</u>	<u>(502,093)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(28)	1,200,074	616,456
Decrease in short-term borrowings	6(28)	(1,355,856)	(72,840)
Repayment of the principal portion of lease liabilities	6(28)	(97,691)	(100,516)
Cash dividends paid	6(17)	(570,181)	(673,850)
Interest paid		(35,905)	(65,685)
Cash Dividends Paid to Non-Controlling Interests	6(19)	(62,535)	(83,604)
Net cash used in financing activities		<u>(922,094)</u>	<u>(380,039)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(44,408)	223,380
Net (decrease) increase in cash and cash equivalents		(413,912)	314,505
Balance of cash and cash equivalents at the beginning of the period		6,754,713	6,440,208
Balance of cash and cash equivalents at the end of the period		<u>\$ 6,340,801</u>	<u>\$ 6,754,713</u>

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

Unit: NT\$ thousand (unless otherwise noted)

I. General Information

Pan-International Industrial Corp. ("the Company") was established in the Republic of China (R.O.C). The Company and its subsidiaries (collectively referred to herein as "the Group") are primarily engaged in the development, manufacturing, and sales of electronic signal cables, connectors, connection wires, precision molds, various plugs and sockets, telecommunication devices, wireless Bluetooth devices, printed circuit boards and other computer peripherals, medical device-related products, industrial control products, as well as automotive wire harnesses, automotive parts and accessories, and intelligent in-vehicle equipment.

II. Approval of Financial Statements Date and Process

These consolidated financial statements were approved for issuance by the Board of Directors on March 11, 2026.

III. Application of New Standards, Amendments and Interpretations

- (I) Effects of adopting new and amended International Financial Reporting Standards (IFRS) that have been endorsed and issued into effect by the Financial Supervisory Commission ("FSC")

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

New Standards, Interpretations and Amendments	Effective date announced by International Accounting Standards Board
Amendments to IAS 21 Lack of Exchangeability	January 1, 2025

The Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance.

- (II) Impact of New IFRSs Endorsed by the FSC but Not Yet Adopted

The following table summarizes the newly issued, amended and revised standards and interpretations of International Financial Reporting Standards endorsed by the FSC that are applicable in 2026:

New Standards, Interpretations and Amendments	Effective date announced by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments" - partial amendments	January 1, 2026

New Standards, Interpretations and Amendments	Effective date announced by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
Annual Improvements to IFRS Standards - Volume 11	January 1, 2026

Except for those described below, the Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance:

Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments" - partial amendments

1. Clarify and provide additional guidance for assessing whether financial assets meet the Solely Payments of Principal and Interest (SPPI) criterion, including contractual terms that modify cash flows based on contingent events (e.g., interest rates linked to ESG targets), non-recourse features, and contractually linked instruments.
2. Add requirements to disclose qualitative descriptions of the nature of contingencies for instruments with contractual terms that can modify cash flows (such as instruments with features related to achieving Environmental, Social and Governance (ESG) targets); quantitative information about the range of possible contractual cash flow modifications arising from such contractual terms; and the gross carrying amount of financial assets and amortized cost of financial liabilities under such contractual terms.
3. Clarify the dates for recognition and derecognition of certain financial assets and liabilities. When settling financial liabilities (or parts of financial liabilities) in cash using electronic payment systems, an entity is permitted to treat the financial liability as extinguished before the settlement date only when the entity initiates a payment instruction that results in the following circumstances:
 - (1) The entity does not have the ability to revoke, stop, or cancel the payment instruction;
 - (2) The entity does not have the practical ability to access the cash used for settlement due to the payment instruction;
 - (3) The settlement risk associated with the electronic payment system is not significant.
4. The fair value of equity instruments designated as measured at fair value through other comprehensive income (FVOCI) through irrevocable election should be disclosed by class rather than for each individual instrument. Additionally, the fair value gains and

losses recognized in other comprehensive income during the reporting period should be disclosed separately, showing the fair value gains and losses related to investments derecognized during the reporting period and those related to investments still held at the end of the reporting period; and the cumulative gains and losses transferred to equity for investments derecognized during the reporting period.

(III) Impact of International Financial Reporting Standards Issued by International Accounting Standards Board but not yet endorsed by the Financial Supervisory Commission

The following table summarizes the new standards, amendments and revisions to standards and interpretations issued by the International Accounting Standards Board but not yet included in the International Financial Reporting Standards endorsed by the Financial Supervisory Commission:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date announced by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by International Accounting Standards Board
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Amendments to IAS 21 "Translation into Hyperinflationary Currency"	January 1, 2027

Note : On September 25, 2025, the FSC announced in a press release that public companies will be required to adopt International Financial Reporting Standard 18 (hereinafter referred to as "IFRS 18") starting from 2028. Additionally, companies that wish to early adopt IFRS 18 may choose to do so after the FSC has endorsed IFRS 18.

Except for those described below, the Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance:

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1, updates the structure of the statement of comprehensive income, adds disclosure requirements for management performance measures, and strengthens the principles of aggregation and disaggregation applied to primary financial statements and notes.

IV. Summary of Significant Accounting Policies

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

(I) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations, and interpretation announcements (hereinafter referred to as IFRSs) endorsed and issued into effect by the Financial Supervisory Commission.

(II) Basis of Preparation

1. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:
 - (1) Financial assets and liabilities (including derivative instruments) at fair value through profit or loss.
 - (2) Financial assets measured at fair value through other comprehensive income measured at fair value.
 - (3) Defined benefit assets (liabilities) recognized based on the net amount of pension fund assets less the present value of defined benefit obligations.
2. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of Consolidation

1. Principles for Preparing Consolidated Financial Statements

- (1) The Group includes all subsidiaries in the preparation of the consolidated financial statements. Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is lost.
- (2) Intercompany transactions, balances and unrealized gains or losses have been eliminated. The accounting policies of subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Group.
- (3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests; total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (4) Changes in ownership interests in subsidiaries that do not result in loss of control

(transactions with non-controlling interests) are accounted for as equity transactions, i.e., transactions with owners in their capacity as owners. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.

- (5) When the Group loses control of a subsidiary, any remaining investment in the former subsidiary is remeasured at fair value, which becomes the fair value for initial recognition as a financial asset or the cost for initial recognition as an investment in an associate or joint venture. The difference between the fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to that subsidiary are reclassified from equity to profit or loss.

2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Subsidiary Name	Business Activities	Percentage of Ownership (%)		Remark
			December 31, 2025	December 31, 2024	
Pan-International Industrial Corp.	PAN-INTERNATIONAL ELECTRONICS INC. (PIU)	Engaged in the import and sale of various electronic products.	100	100	
Pan-International Industrial Corp.	PAN GLOBAL HOLDING CO., LTD.(PGH)	Engaged in reinvestment in Asia Pacific and Mainland China businesses, and the production and manufacturing of electronic signal cables, connectors, and computer peripheral products.	100	100	
Pan-International Industrial Corp.	Yann-Yang Investment Corp.	Engaged in domestic investment business.	100	100	
Pan-International Industrial Corp.	PAN-INTERNATIONAL ELECTRONICS (THAILAND) CO., LTD.	Production and sale of connecting cables.	45	45	
Pan-International Industrial Corp.	GLOBAL GREENCHAIN INNOVATION SDN.BHD.	Production and sales of electronic products.	100	-	(2)
Yann-Yang Investment Corp.	Tekcon Electronics Corp.	Engaged in the manufacturing, OEM production, and sales of various electronic products.	83.58	83.58	
PAN GLOBAL HOLDING LTD.	P.I.E. INDUSTRIAL CO., BERHAD	A holding company for overseas reinvestment business.	51.42	51.42	
PAN GLOBAL HOLDING CO., LTD.	BEYOND ACHIEVE ENTERPRISES LIMITED	A holding company for overseas reinvestment business.	100	100	
PAN GLOBAL HOLDING CO., LTD.	TEAM UNION INTERNATIONAL LTD.	A holding company for overseas reinvestment business.	100	100	

Name of Investor	Subsidiary Name	Business Activities	Percentage of Ownership (%)		Remark
			December 31, 2025	December 31, 2024	
PAN GLOBAL HOLDING CO., LTD.	EAST HONEST HOLDINGS LIMITED	A holding company for overseas reinvestment business.	100	100	
Tekcon Electronics Corp.	TEKCON BAHAMAS LTD.	A holding company for overseas reinvestment business.	100	100	
TEKCON BAHAMAS LTD.	Tekcon Huizhou Electronics Co., Ltd.	Manufacturing of connectors and connection cables on an OEM basis.	100	100	
P.I.E. INDUSTRIAL BERHAD	PAN-INTERNATIONAL WIRE&CABLE (MALASIA) SDN.BHD.	Production and sales of electric wires.	100	100	
P.I.E. INDUSTRIAL BERHAD	PAN-INTERNATIONAL ELECTRONICS(MALASIA) SDN.BHD.	Production and sales of cables and electronic products.	100	100	
P.I.E. INDUSTRIAL BERHAD	PAN-INTERNATIONAL ELECTRONICS (THAILAND) CO., LTD.	Production and sale of connecting cables.	55	55	
PAN-INTERNATIONAL ELECTRONICS(MALASIA) SDN. BHD.	PIE ENTERPRISE(M) SDN.BHD.	Sales of cables and electronic products.	100	100	
PAN-INTERNATIONAL WIRE&CABLE (MALASIA) SDN.BHD.	P.I.W. ENTERPRISE (MALASIA) SDN.BHD.	Sales of electric wires.	100	100	
BEYOND ACHIEVE ENTERPRISES LIMITED	Newocean Precision Component (Jiangxi) Co.,Ltd	Production and operation of various plugs, sockets, telecommunications and communications, etc.	100	100	
TEAM UNION INTERNATIONAL LTD.	Pan-International Precision Electronic Co., Ltd.	Production and sales of electric wires.	100	100	
TEAM UNION INTERNATIONAL LTD.	Chaohu Ruichang Electric System Co., Ltd.	Production and sales of automotive wire harness products.	58	58	
EAST HONEST HOLDING SLIMITED	Honghuasheng Precision Electronics (YanTai) Co., Ltd.	Production and assembly of printed circuit boards, etc.	100	100	
Honghuasheng Precision Electronics (YanTai) Co., Ltd.	CJ Electric Systems (Wuhu)Co., Ltd.	Production and sales of automotive wire harness products.	30.35	25.37	(1)
Pan-International Precision Electronic Co., Ltd.	Pan-International Sunrise Trading Corp.	Sales of cables, computer accessories, wireless Bluetooth devices, and turnkey solutions.	100	100	
Pan-International Precision Electronic Co., Ltd.	CJ Electric Systems (Wuhu)Co., Ltd.	Production and sales of automotive wire harness products.	69.65	74.63	(1)
Pan-International Precision Electronic Co., Ltd.	YiBing Pan-International Vehicle Wire Co., Ltd.	Manufacturing of automotive parts and accessories, intelligent in-	100	100	

Name of Investor	Subsidiary Name	Business Activities	Percentage of Ownership (%)		Remark
			December 31, 2025	December 31, 2024	
CJ Electric Systems (Wuhu)Co., Ltd.	Chaohu Ruichang Electric System Co., Ltd.	vehicle equipment, etc. Production and sales of automotive wire harness products.	42	42	
CJ Electric Systems (Wuhu)Co., Ltd.	Ordos City Ruichang ElectriSystem Co., Ltd.	Production and sales of automotive wire harness products.	100	100	
CJ Electric Systems (Wuhu)Co., Ltd.	WuhuHerzhong Smart Technology Co., Ltd.	Production and sales of automotive wire harness products.	100	100	(3)
CJ Electric Systems (Wuhu)Co., Ltd.	Anqing Ruiyu Automotive Electrical System Co., Ltd.	Production and sales of automotive wire harness products.	48.78	48.78	
CJ Electric Systems (Wuhu)Co., Ltd.	Ruiyu Hui (Shanghai) Parts Co., Ltd.	Research and development of automotive wire harness products.	70	-	(4)
Ordos City Ruichang ElectriSystem Co., Ltd.	Anqing Ruiyu Automotive Electrical System Co., Ltd.	Production and sales of automotive wire harness products.	51.22	51.22	

- (1) In the second quarter of 2025, the Company's subsidiary Honghuasheng Precision Electronics (YanTai) Co., Ltd. increased capital investment in its subsidiary CJ Electric Systems Co., Ltd., which resulted in the shareholding ratio of Pan-International Precision Electronic Co., Ltd. in that company decreasing to 69.65%. The combined shareholding ratio of Honghuasheng Precision Electronics (YanTai) Co., Ltd. and Pan-International Precision Electronic Co., Ltd. in that company is 100%.
 - (2) GLOBAL GREENCHAIN INNOVATION SDN.BHD. was established in the third quarter of 2025 and has been included in the consolidated reporting entities since its establishment.
 - (3) WuhuHerzhong Automotive Electronics Co., Ltd. changed its name to WuhuHerzhong Smart Technology Co., Ltd. in the third quarter of 2025.
 - (4) Ruiyu Hui (Shanghai) Parts Co., Ltd. was established in the third quarter of 2025 and has been included in the consolidated reporting entities since its establishment.
3. Subsidiaries not included in the consolidated financial statements: None.
 4. Adjustments and handling methods for subsidiaries with different accounting periods: None.
 5. Significant restrictions: None.
 6. Subsidiaries with non-controlling interests that are material to the Group

The Group's total non-controlling interests as of December 31, 2025 and 2024 were NT\$2,339,942 and NT\$2,206,818, respectively. The following information pertains to

non-controlling interests and their corresponding subsidiaries that are material to the Group:

Subsidiary Name	Principal place of business	Non-controlling Interests			
		December 31, 2025		December 31, 2024	
		Amount	Percentage of ownership	Amount	Percentage of ownership
P.I.E. INDUSTRIALBE RHAD	Malaysia	\$ 2,319,789	49	\$ 2,188,574	49

Consolidated financial information of subsidiaries:

Balance sheet

	December 31, 2025	December 31, 2024
Current assets	\$ 3,814,420	\$ 4,054,927
Non-current assets	2,159,779	2,059,190
Current liabilities	(983,168)	(1,406,131)
Non-current liabilities	(42,123)	(24,486)
Total Net Assets	<u>\$ 4,948,908</u>	<u>\$ 4,683,500</u>

Statement of comprehensive income

	2025	2024
Revenue	\$ 6,406,814	\$ 6,856,263
Income before income tax	227,516	404,817
Income tax expenses	(80,410)	(44,546)
Net profit for the period	147,106	360,271
Other comprehensive income (net of tax)	49,164	(3,059)
Total comprehensive income for the period	<u>\$ 196,270</u>	<u>\$ 357,212</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 100,938</u>	<u>\$ 176,987</u>
Dividends paid to non-controlling interests	<u>\$ 62,535</u>	<u>\$ 83,604</u>

Statement of cash flows

	2025	2024
Net cash inflow from operating activities	\$ 539,143	\$ 1,118,593
Net cash used in investing activities	(270,985)	(732,798)
Net cash used in financing activities	(171,004)	(92,233)
Effect of exchange rate changes on cash and cash equivalents	106,255	38,098
Increase in cash and cash equivalents for the period	<u>203,409</u>	<u>331,660</u>
Balance of cash and cash equivalents at the beginning of the period	<u>748,100</u>	<u>416,440</u>
Balance of cash and cash equivalents at the end of the period	<u>\$ 951,509</u>	<u>\$ 748,100</u>

(IV) Foreign currency translation

1. These consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Company's functional currency.
2. Foreign currency transactions and balances
 - (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation. Translation differences arising from such transactions are recognized in current profit or loss.
 - (2) Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Translation differences arising from such adjustments are recognized in current profit or loss.
 - (3) Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are translated at the exchange rates prevailing at the balance sheet date, with translation differences recognized in current profit or loss; those measured at fair value through other comprehensive income are translated at the exchange rates prevailing at the balance sheet date, with translation differences recognized in other comprehensive income; those not measured at fair value are measured using the historical exchange rates at the dates of initial transactions.
 - (4) All foreign exchange gains and losses are reported in "Other gains and losses" in the income statement.
3. Translation of foreign operations
 - (1) For all group entities and associates whose functional currency differs from the presentation currency, their operating results and financial position are translated into the presentation currency in the following manner:
 - A. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate at the date of that balance sheet;
 - B. Income and expenses presented for each statement of comprehensive income are translated at the average exchange rates of that period; and
 - C. All resulting exchange differences are recognized in other comprehensive income.
 - (2) When the foreign operation that is a subsidiary is partially disposed of or sold, the cumulative translation differences recognized in other comprehensive income are proportionally redistributed to the non-controlling interests of that foreign operation. However, when the Group loses control over a foreign operation that is a subsidiary, even though it retains partial ownership interest, it is treated as a disposal of the entire interest in that foreign operation.
 - (3) Goodwill and fair value adjustments arising on the acquisition of a foreign entity

are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate at the balance sheet date.

(V) Classification of current and non-current items.

1. Assets that meet any of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (1) Expected to be realized in the normal operating cycle, or intended to be sold or consumed.
- (2) Held primarily for trading purposes.
- (3) Expected to be realized within twelve months after the balance sheet date.
- (4) Cash or cash equivalents, unless restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

The Group classifies all assets that do not meet the above conditions as non-current.

2. Liabilities that meet any of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (1) Expected to be settled within the normal operating cycle.
- (2) Held primarily for trading purposes.
- (3) To be settled within twelve months after the balance sheet date.
- (4) The entity does not have the right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all liabilities that do not meet the above conditions as non-current.

(VI) Cash equivalents

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

(VII) Financial Assets at FVTPL

1. These are financial assets that are neither at amortized cost nor at fair value through other comprehensive income.
2. The Group applies trade date accounting to financial assets measured at fair value through profit or loss that qualify as regular-way transactions.
3. The Group measures these financial assets measured at fair value at initial recognition, with transaction costs recognized in profit or loss. Subsequently, they are at fair value with gains or losses recognized in profit or loss.
4. When the right to receive dividends is established, the economic benefits associated with the dividends are likely to flow in, and the dividend amount can be reliably

measured, the Group recognizes dividend income in profit or loss.

(VIII) Financial assets at FVTOCI

1. These refer to equity instrument investments not held for trading where an irrevocable election is made at initial recognition to present changes in fair value in other comprehensive income; or debt instrument investments that meet both of the following conditions:
 - (1) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
 - (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Group adopts trade date accounting for financial assets measured at fair value through other comprehensive income that meet regular way transactions.
3. The Group measures such assets measured at fair value plus transaction costs at initial recognition, and subsequently at fair value:
 - (1) For equity instruments, changes in fair value are recognized in other comprehensive income. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income cannot be reclassified to profit or loss but are transferred to retained earnings. When the right to receive dividends is established, the economic benefits associated with the dividends are likely to flow in, and the dividend amount can be reliably measured, the Group recognizes dividend income in profit or loss.
 - (2) For debt instruments, changes in fair value are recognized in other comprehensive income. Impairment losses, interest income and foreign exchange gains and losses are recognized in profit or loss before derecognition. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss.

(IX) Financial assets at amortized costs

1. These refer to financial assets that simultaneously meet the following conditions:
 - (1) The financial asset is held within a business model whose objective is to collect contractual cash flows.
 - (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Group adopts trade date accounting for financial assets measured at amortized cost that meet regular way transactions.
3. The Group initially measures these assets measured at fair value plus transaction costs,

and subsequently recognizes interest income using the effective interest method over the circulation period, recognizes impairment losses, and recognizes gains or losses in profit or loss upon derecognition.

4. The Group holds time deposits that do not qualify as cash equivalents. Due to their short holding periods, the impact of discounting is insignificant, and they are measured at the investment amount.

(X) Accounts and Notes Receivable

1. These refer to accounts and notes receivable that represent unconditional rights to receive consideration in exchange for goods or services transferred, as stipulated in contracts.
2. For non-interest-bearing short-term accounts and notes receivable, due to the insignificant impact of discounting, the Group measures them at the original invoice amount.

(XI) Impairment of financial assets

At each balance sheet date, the Group considers all reasonable and supportable information (including forward-looking information) for financial assets measured at amortized cost. For assets without a significant increase in credit risk since initial recognition, the allowance for losses is measured at the amount of 12-month expected credit losses. For assets with a significant increase in credit risk since initial recognition, the allowance for losses is measured at the amount of lifetime expected credit losses. For trade receivables or contract assets that do not contain a significant financing component, the allowance for losses is measured at the amount of lifetime expected credit losses.

(XII) Derecognition of Financial Assets

The Group derecognizes a financial asset when its contractual rights to receive cash flows from the financial asset expire.

(XIII) Lessor's Lease Transactions - Operating Leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(XIV) Inventories

Inventories are measured at the lower of cost and net realizable value, with cost determined using the weighted average method. The cost of finished goods and work in progress includes raw materials, direct labor, other direct costs and production-related manufacturing overhead (allocated based on normal operating capacity), but excludes borrowing costs. When comparing cost and net realizable value, the item-by-item comparison method is used. Net realizable value refers to the estimated selling price in the normal course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(XV) Investments Accounted for Using Equity Method/Associates

1. Associates are entities over which the Group has significant influence but not control, generally accompanying a direct or indirect shareholding of 20% or more of the voting rights. The Group's investments in associates are accounted for using the equity method and are recognized at cost upon acquisition.
2. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
3. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's shareholding percentage in the associate, the Group recognizes the proportionate share of ownership changes as "Capital Surplus".
4. Unrealized gains and losses from transactions between the Group and its associates have been eliminated in proportion to the Group's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
5. When the Group disposes of an associate and loses significant influence over it, the amounts previously recognized in other comprehensive income in relation to the associate are accounted for on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. That is, when a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, such gain or loss is reclassified from equity to profit or loss when the significant influence over the associate is lost. If significant influence over the associate is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified according to the above method.
6. When the Group disposes of an associate and loses significant influence over it, the capital surplus related to the associate is reclassified to profit or loss; if significant influence over the associate is retained, the capital surplus is reclassified to profit or loss in proportion to the disposal.

(XVI) Property, plant and equipment

1. Property, plant and equipment are recorded at acquisition cost, with related interest capitalized during the construction period.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item

will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part should be derecognized. All other maintenance costs are recognized in profit or loss when incurred.

3. The subsequent measurement of property, plant and equipment follows the cost model, and except for land which is not depreciated, other assets are depreciated using the straight-line method over their estimated useful lives. If components of property, plant and equipment are significant, they are depreciated separately.
4. At the end of each financial year, the Group reviews the residual value, useful life, and depreciation method of each asset. If the expected residual value and useful life differ from previous estimates, or if there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, the changes are accounted for as changes in accounting estimates in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of change. The useful lives of various assets are as follows:

Buildings and structures	15 years to 51 years
Machinery and equipment	3 years to 9 years
Others	1 year to 6 years

(XVII) Lessee's lease transactions - right-of-use assets/lease liabilities

1. Right-of-use assets and lease liabilities are recognized on the date when the leased assets become available for use by the Group. When the lease contract is a short-term lease or a lease of low-value assets, lease payments are recognized as expenses on a straight-line basis over the lease term.
2. Lease liabilities are recognized at the present value of the unpaid lease payments discounted using the Group's incremental borrowing rate on the lease commencement date. Lease payments include fixed payments, less any lease incentives receivable.

Subsequently measured at amortized cost using the interest method, with interest expense recognized over the lease term. When there are changes in the lease term or lease payments not arising from contract modifications, the lease liabilities are reassessed and the remeasurement adjustments are made to the right-of-use assets.

3. Right-of-use assets are recognized at cost on the lease commencement date, with the cost measured based on the initial amount of the lease liabilities.

Subsequently measured using the cost model, with depreciation expense recognized over the shorter of the useful life of the right-of-use asset or the lease term. When lease liabilities are reassessed, right-of-use assets are adjusted for any remeasurement of the lease liabilities.

(XVIII) Investment property

Investment property is recognized at acquisition cost and subsequently measured using the cost model. Except for land, depreciation is recognized using the straight-line

method over the estimated useful life of 15~51 years.

(XIX) Intangible assets

1. Goodwill arises from business combinations using the acquisition method.
2. Computer software is recognized at acquisition cost and amortized on a straight-line basis over its estimated useful life of 3-10 years.

(XX) Impairment of Non-financial Assets

1. At the balance sheet date, the Group estimates the recoverable amount for assets with indications of impairment. When the recoverable amount is lower than its carrying amount, an impairment loss is recognized. The recoverable amount refers to the higher of an asset's fair value less costs of disposal or its value in use. Except for goodwill, when previously recognized impairment losses no longer exist or have decreased, the impairment losses are reversed. However, the increased carrying amount of an asset due to reversal of impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years.
2. Goodwill is regularly assessed for its recoverable amount. When the recoverable amount is lower than its carrying amount, an impairment loss is recognized. Impairment losses recognized for goodwill are not reversed in subsequent years.
3. For impairment testing purposes, goodwill is allocated to cash-generating units. This allocation is based on operating segments, allocating goodwill to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination that generated the goodwill.

(XXI) Borrowings

Refers to short-term funds borrowed from banks. At initial recognition, the Group measures borrowings measured at fair value less transaction costs. Subsequently, any difference between the proceeds (net of transaction costs) and the redemption value is recognized as interest expense in profit or loss over the circulation period using the effective interest method.

(XXII) Notes and Accounts Payable

1. Refers to obligations incurred from credit purchases of raw materials, goods or services, and notes payable arising from both operating and non-operating activities.
2. For non-interest bearing short-term accounts and notes payable, due to the insignificant effect of discounting, the Group measures them at the original invoice amount.

(XXIII) Financial liabilities at FVTPL

1. Refers to financial liabilities that are held for trading, which are principally acquired for the purpose of repurchasing in the near term, and derivative instruments that are

not designated as hedging instruments under hedge accounting.

2. The Group measures these financial assets measured at fair value at initial recognition, with transaction costs recognized in profit or loss. Subsequently, they are at fair value with gains or losses recognized in profit or loss.

(XXIV) Derecognition of Financial Liabilities

The Group derecognizes financial liabilities when the obligations specified in the contract are fulfilled, cancelled, or expired.

(XXV) Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and presented as a net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(XXVI) Non-hedging derivatives and embedded derivatives

Non-hedging derivatives are initially measured at fair value on the date when the contract is signed and are recorded as financial assets or liabilities measured at fair value through profit or loss. Subsequently, they are measured at fair value with gains or losses recognized in profit or loss.

(XXVII) Provisions for liabilities

Provisions (including warranties, etc.) are recognized when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the best estimate of expenditures required to settle the obligation at the balance sheet date. The discount rate used reflects current market assessments of the time value of money and the risks specific to the liability. The amortization of discounting is recognized as interest expense. Future operating losses shall not be recognized as provisions.

(XXVIII) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount expected to be paid and recognized as expenses when the related services are provided.

2. Pension

- (1) Defined contribution plans

For defined contribution plans, the contributions to be made to pension funds are recognized as pension costs in the current period on an accrual basis. Prepaid contributions are recognized as assets to the extent that they can result in cash refunds or reductions in future payments.

(2) Defined benefit plans

A. Net obligations under defined benefit plans are calculated by discounting the amount of future benefits that employees have earned in the current or prior periods, and are measured at the present value of the defined benefit obligations at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The discount rate is determined by reference to market yields of high-quality corporate bonds that match the currency and maturity period of the defined benefit plans at the balance sheet date. In countries where there is no deep market for high-quality corporate bonds, the market yields of government bonds (at the balance sheet date) are used.

B. Remeasurements arising from defined benefit plans are recognized in other comprehensive income when incurred and presented in retained earnings.

3. Employee Compensation and Directors' Remuneration

Employee compensation and directors' remuneration are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. When there is a difference between the actual distribution amount subsequently resolved and the estimated amount, it is treated as a change in accounting estimate.

(XXIX) Income Tax

1. Income tax expense includes current and deferred income taxes. Except for income tax related to items included in other comprehensive income or directly recognized in equity, which are respectively included in other comprehensive income or directly recognized in equity, income tax is recognized in profit or loss.
2. The Group calculates current income tax based on the tax rates that have been enacted or substantively enacted at the balance sheet date in the countries where it operates and generates taxable income. Management regularly evaluates the status of income tax declarations in accordance with relevant income tax regulations, and when applicable, estimates income tax liabilities based on the expected tax payments to be made to tax authorities. The income tax imposed on undistributed earnings according to the Income Tax Act is recognized as undistributed earnings income tax expense based on the actual distribution of earnings, after the earnings distribution proposal is approved by the shareholders' meeting in the year following the year in which the earnings were generated.
3. Deferred income tax is recognized using the balance sheet method, based on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred income tax liabilities arising from the initial

recognition of goodwill are not recognized. If deferred income tax arises from the initial recognition of assets or liabilities in a transaction (excluding business combinations), and at the time of the transaction, it neither affects accounting profit nor taxable income (tax loss) and does not create corresponding taxable and deductible temporary differences, it is not recognized. If temporary differences arise from investments in subsidiaries and associates, and the Group can control the timing of the reversal of the temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future, they are not recognized. Deferred income tax is measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4. Deferred income tax assets are recognized to the extent that it is probable that temporary differences will be used to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed at each balance sheet date.
5. Current income tax assets and liabilities are offset when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis or realize the asset and settle the liability simultaneously.
6. Deferred income tax assets are recognized for the carry-forward of unused tax credits resulting from purchases of equipment or technology, research and development expenditures, and equity investments, to the extent that it is probable that future taxable income will be available against which the unused tax credits can be utilized.

(XXX) Dividend Distribution

Cash dividends distributed to the Company's shareholders are recognized as liabilities in the financial reports when resolved by the Company's Board of Directors, while stock dividends distributed to the Company's shareholders are recognized as stock dividends to be distributed in the financial reports when resolved by the Company's shareholders' meeting, and are reclassified as common stock on the ex-dividend date.

(XXXI) Revenue Recognition

1. The Group manufactures and sells electronic components. Sales revenue is recognized when control of the products is transferred to customers, which occurs when the products are delivered to buyers, buyers have discretion over the sales price of the products, and the Group has no unfulfilled performance obligations that could affect customer acceptance of the products. Delivery of goods occurs when products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to customers, and either the customer has accepted the products in

accordance with the sales contract, or there is objective evidence that all acceptance criteria have been satisfied. Accounts receivable are recognized when goods are delivered to customers, as from that point onwards, the Group has an unconditional right to the contract payment and only the passage of time is required before payment is collected from customers.

2. Payment terms for sales transactions are typically due within 30 to 120 days after shipment. Since the time interval between the transfer of promised goods or services to customers and customer payment does not exceed one year, the Group has not adjusted the transaction price to reflect the time value of money.

(XXXII) GOVERNMENT GRANTS

Government grants are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attached to the grants and that the grants will be received. If the nature of the government grant is to compensate for expenses incurred by the Group, the government grant is recognized in profit or loss on a systematic basis over the periods in which the related expenses are incurred.

(XXXIII) Operating Segments

The Group's operating segment information is reported in a manner consistent with the internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to operating segments and assessing their performance.

V. **Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty**

In preparing these consolidated financial statements, management has exercised judgment in determining the accounting policies adopted and made accounting estimates and assumptions based on reasonable expectations of future events given the circumstances at the balance sheet date. The significant accounting estimates and assumptions made may differ from actual results, and will be continuously evaluated and adjusted considering historical experience and other factors. Such estimates and assumptions pose risks that may result in significant adjustments to the carrying amounts of assets and liabilities in the next financial year. Please refer to the following descriptions of critical accounting judgments, estimates and assumption uncertainties:

(I) Critical Judgments in Applying the Group's Accounting Policies

Recognition of Revenue on a Gross or Net Basis

Based on the transaction type and economic substance, the Group determines whether the nature of its promise to customers constitutes a performance obligation to provide specific goods or services itself (i.e., the Group acts as principal) or to arrange for another party to provide those goods or services (i.e., the Group acts as agent). When the Group controls the goods or services before they are transferred to customers, the Group acts as principal and recognizes revenue at the gross amount of consideration it expects to receive in

exchange for the specified goods or services transferred. If the Group does not control the specified goods or services before they are transferred to customers, the Group acts as agent, arranging for another party to provide the specified goods or services to customers, and recognizes revenue at the amount of any fee or commission it expects to be entitled to for arranging such services.

The Group determines whether it controls the goods or services before they are transferred to customers based on the following indicators:

1. Has primary responsibility for fulfilling the promise to provide the specified goods or services.
2. Bears inventory risk before the specified goods or services are transferred to customers or after transfer of control.
3. Has discretion in establishing prices for the specified goods or services.

(II) Critical Accounting Estimates and Assumptions

Evaluation of Inventories

Since inventories must be valued at the lower of cost or net realizable value, the Group must exercise judgment and estimates to determine the net realizable value of inventories at the balance sheet date. Due to rapid technological changes, the Group evaluates the amount of inventory that is subject to normal wear and tear, obsolescence, or has no market value at the balance sheet date, and writes down inventory costs to net realizable value. This inventory valuation is primarily based on estimated product demand for specific future periods, and therefore may be subject to significant changes. As of December 31, 2025, please refer to Note 6(5) for the carrying amount of the Group's inventories.

VI. Descriptions of Material Accounting Items

(I) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on Hand and Petty Cash	\$ 347	\$ 351
Checking Accounts and Demand Deposits	3,426,659	3,580,250
Time deposits	2,913,795	3,074,112
Bonds Purchased under Resale Agreements	-	100,000
	<u>\$ 6,340,801</u>	<u>\$ 6,754,713</u>

1. The financial institutions that the Group deals with have good credit quality. The Group conducts business with multiple financial institutions to diversify credit risk, and the probability of default is very low.
2. The Group's pledged bank deposits as of December 31, 2025 and 2024 are classified as financial assets measured at amortized cost. Please refer to Notes 6(3) and Note 8.

(II) Financial Assets or Liabilities Measured at Fair Value Through Profit or Loss

<u>Asset items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets mandatorily measured at FVTPL		
Open-end Funds	\$ <u>533,493</u>	\$ <u>11,767</u>

1. The Group recognized net gains of \$13,313 and net gains of \$393 from financial instruments held for the years 2025 and 2024, respectively.
2. The Group has not pledged financial assets measured at fair value through profit or loss as collateral.

(III) Financial assets at amortized costs

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Time deposits with maturities over three months	\$ 340,000	\$ -
Restricted bank deposits	155,605	835,996
Pledged time deposits	<u>3,939</u>	<u>104,688</u>
Total	<u>\$ 499,544</u>	<u>\$ 940,684</u>

Non-current items:

Corporate bonds	\$ 290,000	\$ 290,000
Pledged time deposits	<u>1,798</u>	<u>-</u>
Total	<u>\$ 291,798</u>	<u>\$ 290,000</u>

For details on the Group's financial assets measured at amortized cost that are pledged as collateral, please refer to Note 8.

(IV) Notes and accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ 96,501	\$ 425,261
Less: Loss allowance	<u>(82)</u>	<u>(44)</u>
Total	<u>\$ 96,419</u>	<u>\$ 425,217</u>
Accounts receivable	\$ 2,626,767	\$ 3,398,560
Less: Loss allowance	<u>(4,127)</u>	<u>(7,185)</u>
Total	<u>\$ 2,622,640</u>	<u>\$ 3,391,375</u>

1. The Group does not hold any collateral.
2. The balances of accounts receivable and notes receivable as of December 31, 2025 and 2024 were all generated from contracts with customers. Additionally, the balance of notes and accounts receivable from customer contracts as of January 1, 2024 was \$6,330,158.

3. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk for the Group's notes and accounts receivable as of December 31, 2025 and 2024 is represented by the carrying amount of each class of notes and accounts receivable.
4. For related credit risk information, please refer to Note 12(2).

(V) Inventories

	December 31, 2025		
	Cost	Allowance for Valuation Loss	Carrying Amount
Raw materials	\$ 1,283,306	(\$ 44,801)	\$ 1,238,505
Work in process	772,356	(22,306)	750,050
Finished goods	1,616,199	(104,613)	1,511,586
	<u>\$ 3,671,861</u>	<u>(\$ 171,720)</u>	<u>\$ 3,500,141</u>

	December 31, 2024		
	Cost	Allowance for Valuation Loss	Carrying Amount
Raw materials	\$ 1,255,734	(\$ 50,604)	\$ 1,205,130
Work in process	769,479	(12,320)	757,159
Finished goods	1,943,706	(112,923)	1,830,783
	<u>\$ 3,968,919</u>	<u>(\$ 175,847)</u>	<u>\$ 3,793,072</u>

The Group's inventory costs recognized as expenses for the current period:

	2025	2024
Cost of inventories sold	\$ 19,215,401	\$ 18,937,634
Inventory valuation loss (reversal gain)	(6,666)	21,332
Income from sale of scraps and waste materials	(98,253)	(84,709)
	<u>\$ 19,110,482</u>	<u>\$ 18,874,257</u>

For the year 2025, the Company recognized a reversal of inventory net realizable value due to the disposal of certain inventories for which write-downs had been previously recorded.

(VI) Financial assets measured at fair value through other comprehensive income - non-current

Item	December 31, 2025	December 31, 2024
Non-current items:		
Equity instruments		
Listed and OTC stocks	\$ 21,119	\$ 711,425
Non-listed, non-OTC, and non-emerging stocks	1,068,526	878,553
Total	<u>\$ 1,089,645</u>	<u>\$ 1,589,978</u>

1. The Group chose to classify strategic equity investments as financial assets measured at fair value through other comprehensive income.
2. In 2025, due to working capital needs, the Group sold listed company stocks with a fair value of NT\$789,759, resulting in accumulated disposal gains (recorded in unappropriated earnings) of NT\$339,722. As of December 31, 2025, the amount of NT\$789,363 for the above-mentioned stocks sold but not yet settled was listed under "Other Receivables," and the payment was received on January 5, 2026. Due to working capital needs, shares of listed companies with a fair value of NT\$242,096 were sold in 2024, resulting in accumulated disposal gains (recorded in unappropriated earnings) of NT\$101,483.
3. For changes in fair value recognized in other comprehensive income by the Group during the years 2025 and 2024, please refer to Note 6(18) Other Equity Items.
4. As of December 31, 2025 and 2024, the Group's financial assets measured at FVTOCI were not pledged as collateral.
5. The listed company stocks held by the Group had a capital reduction and returned funds of NT\$68,968 in 2024, while there was no capital reduction and returned funds in 2025.

(VII) Investments accounted for using the equity method

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Long Time Technology Co., Ltd.	\$ 530,440	\$ 570,279
Pan-International Corporation (S)Pte Ltd.	<u>5,588</u>	<u>13,065</u>
	<u>\$ 536,028</u>	<u>\$ 583,344</u>

1. The Group's share of operating results from associates is summarized as follows:

	<u>2025</u>	<u>2024</u>
Net loss from continuing operations for the period	(<u>\$39,761</u>)	(<u>\$92,687</u>)
Total comprehensive income for the period	(<u>\$39,761</u>)	(<u>\$92,687</u>)

2. The profit or loss derived from the investments accounted for using the equity method of the Group is recognized based on the financial statements audited by the CPA of the associates for the same period.
3. The Group did not pledge any investments accounted for using the equity method as collateral.

(VIII) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Others	Construction in progress and equipment pending acceptance	Total
January 1, 2025						
Cost	\$ 368,415	\$ 1,560,239	\$ 6,531,497	\$ 1,079,664	\$ 127,554	\$ 9,667,369
Accumulated depreciation	- (545,496)	(4,488,724)	(802,713)	- (5,836,933)		
	<u>\$ 368,415</u>	<u>\$ 1,014,743</u>	<u>\$ 2,042,773</u>	<u>\$ 276,951</u>	<u>\$ 127,554</u>	<u>\$ 3,830,436</u>
<u>2025</u>						
January 1	\$ 368,415	\$ 1,014,743	\$ 2,042,773	\$ 276,951	\$ 127,554	\$ 3,830,436
Additions	-	228,689	215,655	109,885	113,577	667,806
Disposal	- (1,782)	(27,434)	(10,039)	(31)	(39,286)	
Transfers	558	83,437	14,885	4,771	(109,427)	(5,776)
Depreciation	- (82,459)	(355,528)	(93,916)	- (531,903)		
Net exchange differences	275	55,503	41,124	1,826	6,621	105,349
December 31	<u>\$ 369,248</u>	<u>\$ 1,298,131</u>	<u>\$ 1,931,475</u>	<u>\$ 289,478</u>	<u>\$ 138,294</u>	<u>\$ 4,026,626</u>
December 31, 2025						
Cost	\$ 369,248	\$ 1,938,093	\$ 6,799,857	\$ 1,201,922	\$ 138,294	\$ 10,447,414
Accumulated depreciation	- (639,962)	(4,868,382)	(912,444)	- (6,420,788)		
	<u>\$ 369,248</u>	<u>\$ 1,298,131</u>	<u>\$ 1,931,475</u>	<u>\$ 289,478</u>	<u>\$ 138,294</u>	<u>\$ 4,026,626</u>
	Land	Buildings and structures	Machinery and equipment	Others	Construction in progress and equipment pending acceptance	Total
January 1, 2024						
Cost	\$ 23,726	\$ 902,497	\$ 5,841,688	\$ 993,444	\$ 259,751	\$ 8,021,106
Accumulated depreciation	- (473,363)	(4,029,805)	(700,596)	- (5,203,764)		
	<u>\$ 23,726</u>	<u>\$ 429,134</u>	<u>\$ 1,811,883</u>	<u>\$ 292,848</u>	<u>\$ 259,751</u>	<u>\$ 2,817,342</u>
<u>2024</u>						
January 1	\$ 23,726	\$ 429,134	\$ 1,811,883	\$ 292,848	\$ 259,751	\$ 2,817,342
Additions	-	21,138	530,662	77,951	245,055	874,806
Disposal	-	- (11,440)	(5,049)	(810)	(17,299)	
Transfers	344,349	551,684	7,128	1,263	(392,896)	511,528
Depreciation	- (44,146)	(403,333)	(103,581)	- (551,060)		
Net exchange differences	340	56,933	107,873	13,519	16,454	195,119
December 31	<u>\$ 368,415</u>	<u>\$ 1,014,743</u>	<u>\$ 2,042,773</u>	<u>\$ 276,951</u>	<u>\$ 127,554</u>	<u>\$ 3,830,436</u>
December 31, 2024						
Cost	\$ 368,415	\$ 1,560,239	\$ 6,531,497	\$ 1,079,664	\$ 127,554	\$ 9,667,369
Accumulated depreciation	- (545,496)	(4,488,724)	(802,713)	- (5,836,933)		
	<u>\$ 368,415</u>	<u>\$ 1,014,743</u>	<u>\$ 2,042,773</u>	<u>\$ 276,951</u>	<u>\$ 127,554</u>	<u>\$ 3,830,436</u>

1. Please refer to Note 8 for the pledged information of the Group's property, plant and equipment.
2. The Company's Board of Directors resolved to purchase a pre-sale factory office building on November 30, 2021, and in the first quarter of 2024, when it reached a usable state, it was transferred from prepaid property payments (listed under other non-current assets) to land, buildings and structures.

(IX) Lease transactions - Lessee

1. The Group's leased assets include land and factory buildings, with lease contract periods typically ranging from 1 to 5 years. The lease contracts are individually negotiated and contain various terms and conditions. Apart from the restriction that leased assets cannot be used as loan collateral, no other restrictions are imposed.
2. The lease periods for office equipment and transportation equipment leased by the Group do not exceed 12 months.
3. The carrying amount of right-of-use assets and recognized depreciation expenses are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Carrying Amount</u>	<u>Carrying Amount</u>
Land	\$ 184,141	\$ 188,539
Buildings	194,810	283,146
	<u>\$ 378,951</u>	<u>\$ 471,685</u>

	<u>2025</u>	<u>2024</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Land	\$ 9,590	\$ 9,389
Buildings	110,213	111,878
	<u>\$ 119,803</u>	<u>\$ 121,267</u>

4. Additions to right-of-use assets for the Group in 2025 and the year 2024 amounted to NT\$74,961 and NT\$270,553, respectively.
5. Information on profit and loss items related to lease contracts is as follows:

	<u>2025</u>	<u>2024</u>
<u>Items affecting current profit and loss</u>		
Interest expense of lease liabilities	\$ 9,083	\$ 9,996
Expenses relating to short-term lease contracts	26,278	26,503

6. The Group's total lease cash outflows amounted to NT\$133,052 and NT\$137,015 for the years 2025 and 2024, respectively.
7. The Group did not pledge any right-of-use assets as collateral.

(X) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
January 1, 2025			
Cost	\$ 83,448	\$ 112,283	\$ 195,731
Accumulated depreciation and impairment	-	(88,356)	(88,356)
	<u>\$ 83,448</u>	<u>\$ 23,927</u>	<u>\$ 107,375</u>
<u>2025</u>			
January 1	\$ 83,448	\$ 23,927	\$ 107,375
Depreciation	-	(1,708)	(1,708)
Net exchange differences	12,856	5,326	18,182
December 31	<u>\$ 96,304</u>	<u>\$ 27,545</u>	<u>\$ 123,849</u>
December 31, 2025			
Cost	\$ 96,304	\$ 114,927	\$ 211,231
Accumulated depreciation and impairment	-	(87,382)	(87,382)
	<u>\$ 96,304</u>	<u>\$ 27,545</u>	<u>\$ 123,849</u>
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
January 1, 2024			
Cost	\$ 79,051	\$ 106,546	\$ 185,597
Accumulated depreciation and impairment	-	(85,674)	(85,674)
	<u>\$ 79,051</u>	<u>\$ 20,872</u>	<u>\$ 99,923</u>
<u>2024</u>			
January 1	\$ 79,051	\$ 20,872	\$ 99,923
Depreciation	-	(1,655)	(1,655)
Net exchange differences	4,397	4,710	9,107
December 31	<u>\$ 83,448</u>	<u>\$ 23,927</u>	<u>\$ 107,375</u>
December 31, 2024			
Cost	\$ 83,448	\$ 112,283	\$ 195,731
Accumulated depreciation and impairment	-	(88,356)	(88,356)
	<u>\$ 83,448</u>	<u>\$ 23,927</u>	<u>\$ 107,375</u>

1. Rental income and direct operating expenses of investment property:

	2025	2024
Rental income from investment property	\$ 31,503	\$ 30,937
Direct operating expenses arising from investment property that generated rental income during the period	\$ 1,708	\$ 1,655

2. The fair values of investment properties held by the Group as of December 31, 2025 and 2024 were NT\$427,186 and NT\$392,544, respectively. These valuations were performed using the comparison method based on market transaction information obtained by the Group, and the results fall under Level 3 fair value.

3. For details on the pledging of the Group's investment properties, please refer to Note 8.

(XI) Intangible assets

	Computer software	Goodwill	Total
January 1, 2025			
Cost	\$ 34,746	\$ 38,125	\$ 72,871
Accumulated amortization and impairment	(5,357)	-	(5,357)
	<u>\$ 29,389</u>	<u>\$ 38,125</u>	<u>\$ 67,514</u>
<u>2025</u>			
January 1	\$ 29,389	\$ 38,125	\$ 67,514
Additions	4,971	-	4,971
Reclassifications	2,983	-	2,983
Amortization expense (mainly listed under administrative expenses)	(4,364)	-	(4,364)
Net exchange differences	216	812	1,028
December 31	<u>\$ 33,195</u>	<u>\$ 38,937</u>	<u>\$ 72,132</u>
December 31, 2025			
Cost	\$ 43,125	\$ 38,937	\$ 82,062
Accumulated amortization and impairment	(9,930)	-	(9,930)
	<u>\$ 33,195</u>	<u>\$ 38,937</u>	<u>\$ 72,132</u>

	<u>Computer software</u>	<u>Goodwill</u>	<u>Total</u>
January 1, 2024			
Cost	\$ 20,397	\$ 36,141	\$ 56,538
Accumulated amortization and impairment	(2,866)	-	(2,866)
	<u>\$ 17,531</u>	<u>\$ 36,141</u>	<u>\$ 53,672</u>
<u>2024</u>			
January 1	\$ 17,531	\$ 36,141	\$ 53,672
Additions	13,581	-	13,581
Amortization expense (mainly listed under administrative expenses)	(2,945)	-	(2,945)
Net exchange differences	1,222	1,984	3,206
December 31	<u>\$ 29,389</u>	<u>\$ 38,125</u>	<u>\$ 67,514</u>
December 31, 2024			
Cost	\$ 34,746	\$ 38,125	\$ 72,871
Accumulated amortization and impairment	(5,357)	-	(5,357)
	<u>\$ 29,389</u>	<u>\$ 38,125</u>	<u>\$ 67,514</u>

1. The above intangible asset - goodwill mainly arose from the Group's acquisition of EASTHONESTHOLDINGSLIMITED in 2012 using the acquisition method, and indirectly acquiring its invested subsidiary in China, Honghuasheng Precision Electronics (YanTai) Co., Ltd.
2. The goodwill is allocated to the Group's cash-generating units identified by operating segments, which belong to electronic components division and other divisions. For information disclosure regarding operating segments, please refer to Note 14.
3. The goodwill allocated to the Group's cash-generating units identified by operating segments is assessed for recoverable amount based on value in use, which is calculated using pre-tax cash flow projections based on financial budgets approved by management. The Group's recoverable amount calculated based on value in use exceeds the carrying amount, therefore no impairment of goodwill has occurred.

(XII) Short-term borrowings

<u>Nature of borrowings</u>	<u>December 31, 2025</u>	<u>Interest Rate</u>	<u>Collateral</u>
Bank loans - secured borrowings	\$ 847,780	1.9%~4.45%	Description 1.
Bank loans - unsecured borrowings	44,960	2.80%	None
	<u>\$ 892,740</u>		

<u>Nature of borrowings</u>	<u>December 31, 2024</u>	<u>Interest Rate</u>	<u>Collateral</u>
Bank loans - secured borrowings	\$ 551,177	3.2%~4.97%	Description 1.
Bank loans - unsecured borrowings	488,102	2.35%~3.65%	None
	<u>\$ 1,039,279</u>		

1. The Group has signed credit facility agreements with banks where subsidiaries provide joint guarantee limits. Please refer to Note 13 for details.
2. As of December 31, 2025 and 2024, the Group's unused credit facilities amounted to NT\$8,830,844 and NT\$7,829,276, respectively.

(XIII) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Salaries, bonuses and employee compensation payable	\$ 583,318	\$ 602,260
Repairs payable	67,348	61,186
Equipment payable	67,039	50,264
Supplies payable	66,598	64,378
Utilities payable	30,646	35,933
Others	311,170	335,577
	<u>\$ 1,126,119</u>	<u>\$ 1,149,598</u>

(XIV) Pension

1. Defined benefit pension plan

- (1) The Company and Tekcon Electronics Corp. (hereinafter referred to as "Tekcon") have established defined benefit pension plans in accordance with the Labor Standards Act, which apply to the years of service for all regular employees before July 1, 2005, when the Labor Pension Act was implemented, as well as the subsequent years of service for employees who chose to continue being subject to the Labor Standards Act after the implementation of the Labor Pension Act. For employees who meet retirement conditions, pension payments are calculated based on years of service and the average salary of the 6 months before retirement. For each year of service up to 15 years (inclusive), two basis points are given, and for each year of service beyond 15 years, one basis point is given, with a maximum accumulation limit of 45 basis points. The Company and Tekcon contribute 6% and 2% of total monthly salaries respectively to the pension fund, which is deposited in a dedicated account under the name of the Labor Pension Fund Supervisory Committee in the Trust Department of Bank of Taiwan. Additionally, at the end of each year, the Company estimates the balance of the aforementioned labor pension reserve account. If the balance is insufficient to pay the estimated pension amount calculated according to the above method for employees who are expected to meet retirement conditions in the following year, the Company will make a one-time contribution to cover the difference by the end

of March of the following year.

(2) The amounts recognized in the balance sheet are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	\$ 37,259	\$ 46,721
The Fair Value of Plan Assets	(68,401)	(71,958)
Net defined benefit assets (Listed under "Other non-current assets")	<u>(\$ 31,142)</u>	<u>(\$ 25,237)</u>

(3) The change in net defined benefit (assets) liabilities is as follows:

	Present value of defined benefit obligations	The Fair Value of Plan Assets	Net defined benefit liabilities
2025			
Balance as of January 1	\$ 46,721	\$ 71,958	(\$ 25,237)
Current service cost	230	-	230
Interest expenses (income)	645	1,044	(399)
	<u>47,596</u>	<u>73,002</u>	<u>(25,406)</u>
Remeasurement:			
Plan Asset Return (Note)	-	4,806	(4,806)
Effect of changes in financial assumptions	501	-	501
Demographic assumptions	2	-	2
Experience adjustment	(780)	-	(780)
	<u>(277)</u>	<u>4,806</u>	<u>(5,083)</u>
Contribution to the pension fund	-	21	(21)
Repayment or reduction of payments numbers	(836)	(203)	(633)
Pension paid	(9,224)	(9,225)	1
Balance as of December 31	<u>\$ 37,259</u>	<u>\$ 68,401</u>	<u>(\$ 31,142)</u>

	Present value of defined benefit obligations	The Fair Value of Plan Assets	Net defined benefit liabilities
2024			
Balance as of January 1	\$ 66,492	\$ 77,594	(\$ 11,102)
Current service cost	299	-	299
Interest expenses (income)	748	886	(138)
	<u>67,539</u>	<u>78,480</u>	<u>(10,941)</u>
Remeasurement:			
Plan Asset Return (Note)	-	7,809	(7,809)
Effect of changes in financial assumptions	(1,254)	-	(1,254)
Demographic assumptions	(4)	-	(4)
Experience adjustment	(720)	-	(720)
	<u>(1,978)</u>	<u>7,809</u>	<u>(9,787)</u>
Impact of plan reduction numbers	(3,497)	-	(3,497)
Contribution to the pension fund	-	1,856	(1,856)
Repayment or reduction of payments numbers	-	2,115	2,115
Pension paid	(15,343)	(14,072)	(1,271)
Balance as of December 31	<u>\$ 46,721</u>	<u>\$ 71,958</u>	<u>(\$ 25,237)</u>

Note : The amounts do not include those included in interest income or expenses.

- (4) The pension fund assets of the defined benefit plans of the Corporation and Tekcon are managed by the Bank of Taiwan in accordance with the proportion and amount set in the annual investment plans of the fund, within the scope of authorized management items specified in Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Pension Fund. This includes deposits in domestic and foreign financial institutions, investments in domestic and foreign listed, over-the-counter, or privately placed equity securities, and investments in securitized real estate products domestically and abroad. The utilization of these assets is supervised by the Labor Pension Fund Supervisory Committee. The utilization of the fund requires that the minimum annual earnings distributed upon settlement shall not fall below the return calculated based on the local banks' two-year time deposit rate. Any shortfall, upon approval by the competent authority, shall be funded by the national treasury. Since The Corporation and TSMC have no rights to participate in the operation and management of the Fund, they are unable to disclose the classification of the Fair Value of plan ASSETS in accordance with paragraph 142 of IAS 19. The Fair Value constituting the total assets of the Fund as of December 31, 2025 and 2024, please refer to the annual Labor Retirement Fund utilization reports announced by the government.

(5) The actuarial assumptions regarding the pension are summarized as follows:

	<u>2025</u>	<u>2024</u>
<u>The Corporation</u>		
Discount rate	<u>1.35%</u>	<u>1.55%</u>
Future salaries increase rate	<u>2.00%</u>	<u>2.00%</u>
<u>Tekcon</u>		
Discount rate	<u>1.35%</u>	<u>1.65%</u>
Future salaries increase rate	<u>2.00%</u>	<u>2.00%</u>

The assumptions regarding future mortality rates are based on the published statistics and empirical estimates of various countries.

The analysis of the present value of defined benefit obligations affected by changes in the main actuarial assumptions adopted is as follows:

	<u>Discount rate</u>		<u>Future salaries increase rate</u>	
	<u>Additions of 0.25%</u>	<u>Decrease of 0.25%</u>	<u>Additions of 0.25%</u>	<u>Decrease of 0.25%</u>
December 31, 2025				
Impact on the present value of defined benefit obligations	(\$ 565)	\$ 580	\$ 575	(\$ 563)
December 31, 2024				
Impact on the present value of defined benefit obligations	(\$ 657)	\$ 676	\$ 671	(\$ 656)

The aforementioned sensitivity analysis is based on analyzing the impact of a change in a single assumption under the condition that other assumptions remain unchanged. In practice, many assumptions may be interrelated in their changes. The sensitivity analysis is consistent with the method used to calculate the net pension liability on the balance sheet.

The methods and assumptions used in the preparation of the sensitivity analysis for the current period are the same as those used in the previous period.

- (6) The Group's expected contribution to the pension plan for the year 2026 is NT\$0.
- (7) As of December 31, 2025, the weighted average expected life of the pension plans for The Corporation and Tekcon was 6 years and 8 years, respectively.

2. Defined Contribution Pension Plan

- (1) Starting from July 1, 2005, the Company and Tekcon have established a defined contribution pension plan in accordance with the "Labor Pension Act," which applies to employees with Republic of China nationality. For employees who have chosen to adopt the labor pension system under the "Labor Pension Act," the

Company and Tekcon contribute 6% of their monthly salaries to their individual pension accounts at the Bureau of Labor Insurance. Upon retirement, employees can receive their pension payments either as monthly pension payments or as a lump sum based on the balance of their individual pension accounts and accumulated earnings.

- (2) The subsidiaries included in the consolidated financial statements have not established their own pension plans. Pan-International Electronics, Inc., P.I.E. Industrial Berhad, and subsidiaries in China are required by local government regulations to contribute a certain percentage of employees' total salaries to mandatory provident funds, which are stored in individual accounts for each employee. The retirement benefits for each employee are managed and arranged by the government. The aforementioned companies have no further obligations beyond making monthly contributions.
- (3) In 2025 and for the year 2024, the Group's pension costs recognized under the aforementioned pension plan amounted to NT\$173,936 and NT\$175,616, respectively.

(XV) Capital stock

As of December 31, 2025, the Company's authorized number of shares was 600,000,000 shares (including 30,000,000 shares reserved for employee stock options or bonds with stock options), with 518,346,282 shares issued and outstanding, at a par value of NT\$10 per share.

(XVI) Capital surplus

According to the Company Act, capital surplus from share premium in excess of par value and donations received can only be used to offset losses. When the company has no accumulated losses, it can be distributed as new shares or cash to shareholders in proportion to their original shareholdings. Additionally, according to the relevant provisions of the Securities and Exchange Act, when using the aforementioned capital surplus for capital increase, the annual total amount is limited to no more than 10% of the paid-in capital. The company shall not use capital surplus to offset capital losses unless the legal reserve is insufficient to cover such losses.

(XVII) Retained Earnings

1. According to the Company's Articles of Incorporation, if there are profits in the annual final accounts, after paying all taxes in accordance with the law, the profits shall first be used to offset previous years' losses, then 10% shall be set aside as legal reserve. Any remaining profits shall be retained or distributed according to the resolution of the shareholders' meeting.
2. The Company authorizes the Board of Directors, with the attendance of more than two-thirds of directors and a resolution approved by a majority of the attending directors, to distribute all or part of the dividends and bonuses, capital surplus or

legal reserve in cash. Such distribution is not subject to the requirement of shareholders' meeting resolution as mentioned in the preceding paragraph.

3. The Company is currently in a growth stage. The Company's dividend distribution policy must take into account factors such as current and future investment environment, capital requirements, domestic and international competition, capital budget, shareholders' interests, and long-term financial planning. Shareholders' dividends shall be appropriated from accumulated distributable earnings, of which no less than 15% of the current year's distributable earnings shall be distributed, and cash dividends shall constitute no less than 10% of the total shareholders' dividends.
4. The legal reserve shall not be used except for offsetting company losses and distributing new shares or cash in proportion to shareholders' original shareholding. However, when distributing new shares or cash, it is limited to the portion of such reserve that exceeds 25% of the paid-in capital.
5. When distributing earnings, the Company shall, in accordance with regulations, set aside special reserve for the debit balance of other equity items on the balance sheet date before distribution. When the debit balance of other equity items is subsequently reversed, the reversed amount can be included in distributable earnings.
6. The Company's shareholders' meetings held on May 26, 2025 and May 31, 2024 approved the following earnings distributions for 2024 and 2023:

	2024		2023	
	Amount	Dividend Per Share (NT\$)	Amount	Dividend Per Share (NT\$)
Legal reserve	\$ 114,569		\$ 125,854	
(Reversal of) Special reserve	(400,813)		25,528	
Cash dividends to shareholders	<u>570,181</u>	\$ 1.10	<u>673,850</u>	\$ 1.30
	<u>\$ 283,937</u>		<u>\$ 825,232</u>	

The above 2024 earnings distribution is consistent with the resolution of the Board of Directors on March 11, 2025. Please refer to the Market Observation Post System of the Taiwan Stock Exchange for details.

7. As of March 11, 2026, The Corporation has not yet approved the earnings distribution for 2025.

(XVIII) Other equity items

	Financial assets at FVTOCI	Foreign Currency Translation Differences	Total
January 1, 2025	(\$ 426,029)	(\$ 583,894)	(\$ 1,009,923)
Unrealized gains and losses on financial instruments - Group	361,201	-	361,201
Valuation adjustments transferred to retained earnings - Group	(339,722)	-	(339,722)
Foreign currency translation differences - Group	-	31,289	31,289
December 31, 2025	<u>(\$ 404,550)</u>	<u>(\$ 552,605)</u>	<u>(\$ 957,155)</u>

	Financial assets at FVTOCI	Foreign Currency Translation Differences	Total
January 1, 2024	(\$ 268,673)	(\$ 1,142,062)	(\$ 1,410,735)
Unrealized gains and losses on financial instruments - Group	(55,873)	-	(55,873)
Valuation adjustments transferred to retained earnings - Group	(101,483)	-	(101,483)
Foreign currency translation differences - Group	-	558,168	558,168
December 31, 2024	<u>(\$ 426,029)</u>	<u>(\$ 583,894)</u>	<u>(\$ 1,009,923)</u>

(XIX) Non-controlling Interests

	2025	2024
January 1	\$ 2,206,818	\$ 1,941,812
Share attributable to non-controlling interests:		
Net profit for the period	78,873	164,679
Remeasurements of defined benefit plans	124	294
Exchange differences on translation of foreign financial statements	116,662	183,637
Cash dividends paid	(62,535)	(83,604)
December 31	<u>\$ 2,339,942</u>	<u>\$ 2,206,818</u>

(XX) Operating revenue

	2025	2024
Revenue from contracts with customers	<u>\$21,770,839</u>	<u>\$21,820,835</u>

The Group's revenue is derived from goods and services transferred at a point in time. For detailed revenue disaggregation information, please refer to Note 14.

Contract liabilities The Group recognizes contract liabilities related to revenue from

contracts with customers as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract liabilities	\$ 107,327	\$ 104,053	\$ 181,376
Revenue recognized from contract liabilities at beginning of period:			
	<u>2025</u>	<u>2024</u>	
Revenue recognized from contract liabilities balance at beginning of period	\$ 63,514	\$ 65,754	
(XXI) <u>Other income</u>			
	<u>2025</u>	<u>2024</u>	
Rental income	\$ 43,588	\$ 47,613	
Dividend income	37,380	24	
Grant income	13,866	29,125	
Other income - others	32,161	77,375	
	<u>\$ 126,995</u>	<u>\$ 154,137</u>	
(XXII) <u>Other gains and losses</u>			
	<u>2025</u>	<u>2024</u>	
Net gains on financial assets and liabilities measured at fair value through profit or loss	\$ 13,313	\$ 393	
Gains (losses) on disposal of property, plant and equipment	13,699 (	6,734)	
Net foreign currency exchange (losses) gains	(48,069)	52,009	
Others	(5,392)	(4,439)	
	<u>(\$ 26,449)</u>	<u>\$ 41,229</u>	
(XXIII) <u>Employee benefits expenses, depreciation and amortization expenses</u>			
<u>By nature</u>	<u>2025</u>	<u>2024</u>	
Employee benefits expenses			
Salaries	\$ 2,854,775	\$ 3,040,228	
Labor and health insurance premiums	92,459	95,313	
Pension expenses	173,767	175,777	
Other personnel expenses	489,058	235,812	
	<u>\$ 3,610,059</u>	<u>\$ 3,547,130</u>	
Depreciation	<u>\$ 653,414</u>	<u>\$ 673,982</u>	
Amortization	<u>\$ 13,267</u>	<u>\$ 12,671</u>	

1. According to the Company's Articles of Incorporation, if the Company makes a profit for the year (profit refers to the profit before tax and before the distribution of employee compensation and director compensation), no less than 5% shall be allocated as employee compensation and no more than 0.5% shall be allocated as director compensation. These allocations shall be distributed by special resolution of

the Board of Directors and reported to the shareholders' meeting. However, when the Company still has accumulated losses, the amount for compensation should be reserved in advance.

2. The Company's estimated employee remuneration amounted to NT\$50,934 and NT\$62,126 for the years 2025 and 2024, respectively. The estimated directors' remuneration amounted to NT\$5,093 and NT\$6,213, respectively, which were recorded under salary expenses.

In 2025, based on the profitability of the period (current year), the remuneration to employees and directors/supervisors were estimated at 5% and 0.5%, respectively. On March 11, 2026, the Company's Board of Directors resolved to actually distribute the 2025 employee remuneration of NT\$50,934 and director remuneration of NT\$5,093 in cash. The proposed distribution amounts do not differ from the amounts charged against earnings for 2025.

The employee compensation and director compensation for 2024 as resolved by the Board of Directors were NT\$62,126 and NT\$6,213 respectively, which were consistent with the amounts recognized in the 2024 financial statements and will be distributed in cash. As of December 31, 2025, the unpaid amounts of employee compensation and director compensation for 2024 were NT\$21,744 and NT\$3,127 respectively, which were listed under "Other Payables".

The above information regarding employee compensation and director compensation approved by the Company's Board of Directors can be found on the Market Observation Post System.

(XXIV) Finance costs

	2025	2024
Interest expense on bank borrowings	\$ 19,660	\$ 36,900
Interest expense of lease liabilities	9,083	9,996
Other finance costs	7,162	18,789
	<u>\$ 35,905</u>	<u>\$ 65,685</u>

(XXV) Income Tax

1. Income tax expenses

(1) Components of income tax expense:

	<u>2025</u>	<u>2024</u>
Current income tax:		
Income tax generated from current income	\$ 348,171	\$ 200,310
Additional tax on unappropriated earnings	43,088	21,666
Underestimation (overestimation) of income tax in prior years	(16,696)	47,234
Total current income tax	<u>374,563</u>	<u>269,210</u>
Deferred income tax:		
Origination and reversal of temporary differences	36,677	(4,340)
Income tax expenses	<u>\$ 411,240</u>	<u>\$ 264,870</u>

(2) Amount of income tax related to other comprehensive income:

	<u>2025</u>	<u>2024</u>
Remeasurements of defined benefit obligations	<u>\$ 1,017</u>	<u>\$ 1,958</u>

2. Relationship between income tax expenses and accounting profit

	<u>2025</u>	<u>2024</u>
Income Tax calculated on income before income tax at the statutory tax rate	\$ 330,402	\$ 401,537
Expenses that should be excluded according to tax regulations.	2,223	(29,899)
Income not subject to tax according to tax regulations	(2,075)	-
No deferred tax liabilities are recognized for temporary differences	(52,273)	(189,693)
Additional tax on unappropriated earnings	43,088	21,666
Assessment of the Realizability of Deferred Tax Assets Change	(4,052)	14,025
Underestimation (overestimation) of income tax in prior years	(16,696)	47,234
Income tax effect of the minimum tax system	12,000	-
Tax amount under separate taxation	98,623	-
Income tax expenses	<u>\$ 411,240</u>	<u>\$ 264,870</u>

3. The amounts of deferred tax assets or liabilities arising from temporary differences and tax losses are as follows:

2025					
	January 1	Recognized in profit or loss	Recognized in Other Comprehensive Income	Effect of exchange rate changes	December 31
Deferred tax assets:					
-Temporary differences:					
Allowance for Valuation					
Loss of Inventories	\$ 13,677	(\$ 728)	\$ -	\$ 557	\$ 13,506
Accrued Salaries as of September 30, 2023	24,286	-	-	1,356	25,642
Others	12,453	2,717	(828)	126	14,468
	<u>\$ 50,416</u>	<u>\$ 1,989</u>	<u>(\$ 828)</u>	<u>\$ 2,039</u>	<u>\$ 53,616</u>
-Deferred tax liabilities:					
Foreign investment gains accounted for using the equity method	(\$ 260,303)	(\$ 18,003)	\$ -	\$ -	(\$ 278,306)
Depreciation tax differences	(47,756)	(18,021)	-	(2,731)	(68,508)
Others	(1,755)	(2,642)	(189)	14	(4,572)
	<u>(\$ 309,814)</u>	<u>(\$ 38,666)</u>	<u>(\$ 189)</u>	<u>(\$ 2,717)</u>	<u>(\$ 351,386)</u>

2024					
	January 1	Recognized in profit or loss	Recognized in Other Comprehensive Income	Effect of exchange rate changes	December 31
Deferred tax assets:					
-Temporary differences:					
Allowance for Valuation					
Loss of Inventories	\$ 10,753	\$ 2,045	\$ -	\$ 879	\$ 13,677
Accrued Salaries as of September 30, 2023	22,139	-	-	2,147	24,286
Others	27,271	(13,756)	(1,509)	447	12,453
	<u>\$ 60,163</u>	<u>(\$ 11,711)</u>	<u>(\$ 1,509)</u>	<u>\$ 3,473</u>	<u>\$ 50,416</u>
-Deferred tax liabilities:					
Foreign investment gains accounted for using the equity method	(\$ 274,912)	\$ 14,609	\$ -	\$ -	(\$ 260,303)
Depreciation tax differences	(94,154)	1,253	-	45,145	(47,756)
Others	(1,449)	189	(449)	(46)	(1,755)
	<u>(\$ 370,515)</u>	<u>\$ 16,051</u>	<u>(\$ 449)</u>	<u>\$ 45,099</u>	<u>(\$ 309,814)</u>

- The Corporation assessed as of December 31, 2025 and 2024, that the taxable temporary differences relating to some investments in subsidiaries will not reverse in the foreseeable future. Therefore, deferred tax liabilities were not fully recognized. The temporary differences for the unrecognized deferred tax liabilities were NT\$7,857,327 and NT\$8,122,495, respectively.
- The Company's business income tax has been approved by the tax authority through 2023.
- The Group has applied the exception provisions for recognizing deferred tax assets and liabilities related to Pillar Two income tax and disclosing relevant information.
- The Group falls within the scope of the Pillar Two Model Rules published by the Organization for Economic Co-operation and Development. The Pillar Two legislation has become effective in the jurisdictions where the Group's subsidiaries are registered.

As of December 31, 2025, the Group has appropriately recognized the current tax expenses.

The Group has applied the amendments to IAS 12 "Income Taxes" issued on May 23, 2023, implementing the exception provisions for recognizing deferred tax assets and liabilities related to Pillar Two income tax and relevant information.

(XXVI) Earnings Per Share

	2025		
	<u>After-tax Amount</u>	<u>Weighted Average Number of Outstanding Shares (Thousand Shares)</u>	<u>Earnings Per Share (NT\$)</u>
<u>Basic earnings per share</u>			
Net Income for the Period Attributable to Common Shareholders of the Parent Company	\$ 808,189	518,346	\$ 1.56
<u>Diluted earnings per share</u>			
Net Income for the Period Attributable to Common Shareholders of the Parent Company	808,189	518,346	
Effect of Dilutive Potential Common Shares - Profit sharing bonus to employees	-	1,277	
Net Income for the Period Attributable to Common Shareholders of the Parent Company			
Plus Effect of Potential Common Shares	\$ 808,189	519,623	\$ 1.56
2024			
	<u>After-tax Amount</u>	<u>Weighted Average Number of Outstanding Shares (Thousand Shares)</u>	<u>Earnings Per Share (NT\$)</u>
<u>Basic earnings per share</u>			
Net Income for the Period Attributable to Common Shareholders of the Parent Company	\$ 1,036,672	518,346	\$ 2.00
<u>Diluted earnings per share</u>			
Net Income for the Period Attributable to Common Shareholders of the Parent Company	1,036,672	518,346	
Effect of Dilutive Potential Common Shares - Profit sharing bonus to employees	-	1,958	
Net Income for the Period Attributable to Common Shareholders of the Parent Company			
Plus Effect of Potential Common Shares	\$ 1,036,672	520,304	\$ 1.99

(XXVII) Supplemental Cash Flow Information

1. Investing Activities Partially Paid in Cash:

	2025	2024
Purchase of property, plant and equipment	\$ 667,806	\$ 874,806
Add: Equipment Payable, Beginning of Period	50,264	129,870
Less: Equipment Payable, End of Period (	67,039)(	50,264)
Effect of exchange rate changes	816	4,085
Cash Paid for the Period	<u>\$ 651,847</u>	<u>\$ 958,497</u>

2. Investing Activities Partially Paid in Cash:

	2025	2024
Disposal of financial assets at FVTOCI (	\$ 789,759)(	\$ 242,096)
Receivables from the sale of stocks	789,759	-
Cash received for the period	<u>\$ -</u>	<u>(\$ 242,096)</u>

(XXVIII) Changes in Liabilities from Financing Activities

	2025		
	Short-term borrowings	Lease liabilities	Total liabilities from financing activities
January 1	\$ 1,039,279	\$ 289,092	\$ 1,328,371
Changes in Financing Cash Flows	(155,782)(	97,691)(	253,473)
Effect of changes in exchange rate	9,243 (	2,935)	6,308
Other Non-cash Changes	-	12,012	12,012
December 31	<u>\$ 892,740</u>	<u>\$ 200,478</u>	<u>\$ 1,093,218</u>

	2024		
	Short-term borrowings	Lease liabilities	Total liabilities from financing activities
January 1	\$ 565,372	\$ 99,702	\$ 665,074
Changes in Financing Cash Flows	543,616 (	100,516)	443,100
Effect of changes in exchange rate	(69,709)	5,061 (	64,648)
Other Non-cash Changes	-	284,845	284,845
December 31	<u>\$ 1,039,279</u>	<u>\$ 289,092</u>	<u>\$ 1,328,371</u>

VII. Related Parties Transactions

(I) Names and Relationships of Related Parties

<u>Related Party Name</u>	<u>Relationship with the Group</u>
Hon Hai Precision Industry Co., Ltd. and its subsidiaries (HON HAI and subsidiaries)	Has significant influence over the Group
SHARP CORPORATION and its subsidiaries (SHARP and subsidiaries)	Other related parties
Foxconn Technology Co., Ltd. and its subsidiaries (FOXCONN and subsidiaries)	Other related parties
GENERAL INTERFACE SOLUTION LIMITED	Other related parties
Cybertan Technology, Inc. and its subsidiaries	Other related parties
Ennoconn Corporation	Other related parties
Long Time Technology Co., Ltd.	Associate
Pan-International Corporation (S)Pte Ltd.	Associate

(II) Significant Transactions with Related Parties

1. Operating revenue

	<u>2025</u>	<u>2024</u>
Has significant influence over the Group		
- HON HAI and subsidiaries	\$ 6,325,525	\$ 5,066,366
Associate	5,707	1,240
Other related parties	-	853,729
	<u>\$ 6,331,232</u>	<u>\$ 5,921,335</u>

Except for transactions where there are no similar transactions for reference and prices and credit terms are determined through mutual negotiation, the Group's selling prices to the above related parties are similar to those for general customers; the Group's collection period for related parties is approximately 30-120 days after the end of the month.

2. Purchase of goods

	<u>2025</u>	<u>2024</u>
Entity with significant influence		
- HON HAI and subsidiaries	\$ 2,355,536	\$ 1,816,835
Associate	2,971	2,977
Other related parties	-	48,360
	<u>\$ 2,358,507</u>	<u>\$ 1,868,172</u>

The above amounts include purchases of Goods, discounts and returns. The purchase prices and payment terms are determined through mutual negotiation. The payment terms for related parties are approximately 30-120 days after monthly closing.

3. Receivables from related parties

	December 31, 2025	December 31, 2024
Accounts receivable:		
Entity with significant influence		
- HON HAI and subsidiaries	\$ 2,556,474	\$ 1,762,346
Associate	814	1,083
Other related parties	-	101,587
	<u>2,557,288</u>	<u>1,865,016</u>
Less: Loss allowance	(3,084)	(1,456)
	<u>\$ 2,554,204</u>	<u>\$ 1,863,560</u>

The amounts receivable from related parties primarily arise from sales and purchasing agency transactions, with payment terms of approximately 30-120 days after the end of the month. The receivables are unsecured and non-interest bearing.

4. Payables to related parties

	December 31, 2025	December 31, 2024
Accounts Payable:		
Entity with significant influence - HON HAI and subsidiaries	\$ 788,331	\$ 769,799
Associate	81	89
Other related parties	-	4,588
	<u>\$ 788,412</u>	<u>\$ 774,476</u>

The payables to related parties mainly arise from purchases of goods and purchase agency transactions, and these payables are non-interest bearing.

5. Property transactions

Disposal of Property, Plant and Equipment:

	2025	
	<u>Sales proceeds</u>	<u>Gain on disposal</u>
Entity with significant influence		
- HON HAI and subsidiaries	\$ 27,837	\$ 13,008

No significant property transactions with related parties in 2024.

6. Lease transactions - Lessee

(1) The Group leases plants from the group with significant influence over the Group. The lease contracts are for 5 years, and the rent is paid at the end of each month.

(2) Acquisition of right-of-use assets

For the years ended December 31, 2025 and 2024, the Group acquired right-of-use assets from related parties amounting to NT\$0 and NT\$187,941, respectively.

(3) Lease liabilities:

A. Balance at the end of the period

	December 31, 2025	December 31, 2024
Groups with significant influence over the Group	\$ 115,914	\$ 152,193

B. Interest expenses

	2025	2024
Groups with significant influence over the Group	\$ 3,183	\$ 4,146

(III) Key management personnel compensation information

	2025	2024
Short-term employee benefits	\$ 15,356	\$ 16,943
Post-employment benefits	240	240
Total	\$ 15,596	\$ 17,183

VIII. Pledged Assets

Details of the Group's assets pledged as collateral are as follows:

Asset items	Carrying amount		Purpose of pledge
	December 31, 2025	December 31, 2024	
Pledged time deposits and restricted			
Bank deposits (listed under financial assets measured at amortized cost - current)	\$ 159,544	\$ 940,684	Guarantee deposits for bank acceptance bills, letters of credit, etc.
Pledged time deposits and restricted			
Bank deposits (listed under financial assets measured at amortized cost - non-current)	1,798	-	Guarantee deposits for bank acceptance bills and customs duties
Land	10,019	9,623	Collateral for bank credit facilities (Note)
Investment property	11,397	10,946	Collateral for bank credit facilities (Note)
	\$ 182,758	\$ 961,253	

Note: The above land, buildings and structures were pledged as collateral for bank overdraft facilities in 2005. As of December 31, 2025, the overdraft facilities have been fully repaid but the pledges have not yet been canceled.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) Contingencies

The Group does not have any significant contingent liabilities arising from legal claims in the ordinary course of business.

(II) Commitments

None.

X. Losses due to Major Disasters

None.

XI. Significant Subsequent Events

The Company resolved at a Board of Directors meeting on January 20, 2026, to acquire a 37.28% equity stake in Magnax BV, comprising a total of 1,061,761 shares of preferred and common stock, in order to obtain the research and development technology of Magnax BV. The total transaction consideration amounts to EUR 23,051 thousand, with full payment expected to be completed in 2026.

XII. Others

(I) Capital management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern, maintain an optimal capital structure to reduce the cost of capital, and provide returns for shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Group monitors its capital using the net debt ratio, which is calculated by dividing net debt by total equity. The calculation of net debt is total borrowings (including "current and non-current borrowings" reported in the consolidated balance sheet) less cash and cash equivalents. The calculation of total equity is "equity" reported in the consolidated balance sheet less total intangible assets.

The Group's strategy in 2025 remains the same as in 2024, which is to maintain the net debt ratio below 70%.

(II) Financial Instruments

1. Categories of financial instruments

The relevant amounts and information for the Group's financial assets measured at amortized cost under IFRS 9 (including cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable (including related parties), and other receivables) and financial liabilities measured at amortized cost (including short-term borrowings, notes payable, accounts payable (including related parties), and other payables) are detailed in the consolidated balance sheet and Note 6. The carrying amounts of financial assets/liabilities measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive

income are detailed in Notes 6(2) and 6(6).

2. Risk Management Policy

(1) Types of Risks

The Group adopts a comprehensive financial risk management and control system to clearly identify, measure, and control various financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.

(2) Management Objectives

- A. Among the aforementioned risks, except for market risk which is controlled by external factors, the rest can be eliminated through internal controls or operational procedures. Therefore, the management objective is to reduce each of these risks to zero.
- B. As for market risk, through rigorous analysis, recommendations, execution, and procedures, appropriate consideration is given to external overall trends, internal operational conditions, and the actual impact of market fluctuations, with the objective of optimizing the overall position.
- C. The Group's overall risk management policy focuses on unpredictable events in financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.

(3) Management System

- A. Risk management tasks are executed by the Group's Finance Department in accordance with policies approved by the Board of Directors. Through close collaboration with the Group's operating units, the Finance Department is responsible for identifying, evaluating, and hedging financial risks.
- B. The Board of Directors has established written principles for overall risk management and provides written policies for specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and investment of excess liquidity.

3. Nature and Extent of Significant Financial Risks

(1) Market risk

Currency risk

- A. Nature: As a multinational electronic manufacturing services provider, the Group's foreign exchange risks from operating activities primarily arise from:
 - a. Foreign exchange risks arising from timing differences between accounts receivable and accounts payable recorded in non-functional currencies, resulting in exchange rate variations against the functional currency. Due to the small net amount after offsetting assets and liabilities, the resulting profit

or loss impact is also minimal. (Note: The Group has operations in multiple countries worldwide, resulting in foreign exchange risks from various currencies, but primarily in US dollars, Chinese Yuan, and Malaysian Ringgit.)

- b. In addition to the commercial transactions (operating activities) on the income statement mentioned above, foreign exchange risks also arise from recognized assets and liabilities on the balance sheet, as well as net investments in foreign operations.

B. Management

- a. For these types of risks, the Group has established policies requiring each company within the Group to manage foreign exchange risks relative to their functional currency.
- b. As for foreign exchange risks arising between functional currencies and the reporting currency of consolidated financial statements, these are managed centrally by the Group's Treasury Department.

C. Extent

The Group's operations involve several non-functional currencies (the functional currency of the Corporation and some subsidiaries is TWD, while some subsidiaries' functional currencies are RMB and Malaysian Ringgit), and are therefore affected by exchange rate fluctuations. The information on foreign currency assets and liabilities significantly affected by exchange rate fluctuations is as follows:

December 31, 2025						
(Foreign currency: functional currency)	Foreign currency (thousand)	Exchange Rate	Carrying amount (NTD)	Sensitivity analysis		
				Degree of variation	Impact on profit or loss	
<u>Financial Assets</u>						
<u>Monetary items</u>						
	USD:NTD	\$ 98,406	31.430	\$ 3,092,901	5%	\$ 154,645
	USD:RMB	68,076	7.0288	2,151,303	5%	107,565
	USD:MYR	41,311	4.0568	1,298,405	5%	64,920
	EUR:MYR	3,932	4.7628	145,091	5%	7,255
<u>Foreign operations</u>						
	USD:NTD	364,432	31.430	11,454,106		
<u>Financial liabilities</u>						
<u>Monetary items</u>						
	USD:NTD	87,849	31.430	2,761,094	5%	138,055
	USD:RMB	6,009	7.0288	189,893	5%	9,495
	USD:MYR	22,152	4.0568	696,237	5%	34,812

December 31, 2024					
	Foreign currency (thousand)	Exchange Rate	Carrying amount (NTD)	Sensitivity analysis	
				Degree of variation	Impact on profit or loss
(Foreign currency: functional currency)					
<u>Financial Assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 75,631	32.79	\$ 2,479,940	5%	\$ 123,997
USD:RMB	60,169	7.1884	1,936,819	5%	96,841
USD:MYR	50,367	4.4703	1,651,534	5%	82,577
EUR:MYR	3,502	4.6543	119,558	5%	5,978
<u>Foreign operations</u>					
USD:NTD	341,844	32.79	11,209,062		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	77,645	32.79	2,545,980	5%	127,299
USD:RMB	4,900	7.1884	157,729	5%	7,886
USD:MYR	33,784	4.4703	1,107,777	5%	55,389

D. Nature

Due to exchange rate fluctuations, the Group's monetary items were significantly impacted. The total recognized exchange gains and losses (including realized and unrealized) for 2025 and 2024 were losses of NT\$48,069 and gains of NT\$52,009, respectively.

Price risk

- A. The Group's equity instruments exposed to price risk are classified as financial assets measured at fair value through other comprehensive income. To manage the price risk of equity instrument investments, the Group diversifies its investment portfolio according to the limits set by the Group.
- B. The Group primarily invests in equity instruments issued by domestic and foreign companies. The prices of these equity instruments are affected by uncertainties in the future value of the investment targets. If these equity instrument prices increased or decreased by 1%, with all other factors remaining constant, the impact on other comprehensive income for 2025 and 2024 would increase or decrease by \$10,896 and \$15,900 respectively, due to gains or losses from equity investments classified as financial assets measured at FVTOCI.

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from short-term borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Based on assessment, the Group does not have significant interest rate risk.

(2) Credit risk

- A. The Group's credit risk refers to the risk of financial loss due to customers or counterparties of financial instruments failing to fulfill their contractual obligations. This risk mainly arises from counterparties' inability to settle accounts receivable according to payment terms and contractual cash flows from debt instrument investments classified as measured at amortized cost.
- B. According to the internally specified credit policy, each operating entity within the Group must conduct management and credit risk analysis for each new customer before establishing payment and delivery terms and conditions. Internal risk control is achieved by evaluating customers' credit quality through consideration of their financial status, past experience, and other factors. Individual risk limits are set by the Board of Directors based on internal or external ratings, and credit limit usage is regularly monitored.
- C. The Group's basis for determining whether there has been a significant increase in credit risk of financial instruments since initial recognition is as follows:

When contractual payments are more than 60 days past due according to agreed payment terms, it is considered that the credit risk of financial assets has significantly increased since initial recognition.
- D. When contractual payments are more than 90 days past due according to agreed payment terms, the Group considers it as a default.
- E. The Group categorizes notes and accounts receivable from customers based on customer rating characteristics and adopts a simplified approach using the loss rate method as the basis for estimating expected credit losses.
- F. The Group's indicators for determining whether debt instrument investments are credit-impaired are as follows:
 - (A) The issuer experiences significant financial difficulties, or the probability of entering bankruptcy or other financial reorganization significantly increases;
 - (B) The active market for the financial asset disappears due to the issuer's financial difficulties;
 - (C) The issuer delays or defaults on interest or principal payments;
 - (D) Adverse changes in national or regional economic conditions that lead to issuer default.
- G. The aging analysis of notes and accounts receivable (including related parties) is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Not past due	\$ 5,267,138	\$ 5,679,785
Within 90 days	11,696	8,529
91-180 days	495	199
Over 181 days	1,227	324
	<u>\$ 5,280,556</u>	<u>\$ 5,688,837</u>

The above is an aging analysis based on the number of days past due.

H. Other receivables (including related parties):

The Group's other receivables mainly consist of tax refund receivables and receivables for payments made on behalf of others. For individually significant other receivables that have defaulted, expected credit losses are estimated individually. For the remaining counterparties with no significant concerns about default or repayment, the allowance for losses is measured based on 12-month expected credit losses. The Group's allowance for losses balance as of December 31, 2025 and 2024 were NT\$102,087 and NT\$106,504, respectively.

I. The Group categorizes accounts receivable from customers based on credit rating standards and characteristics. The loss rates established using historical and current information for specific periods are adjusted for forward-looking considerations to estimate the allowance for losses on notes and accounts receivable. The loss rate methods as of December 31, 2025 and 2024 are as follows:

	<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Total</u>
<u>December 31, 2025</u>					
Expected loss rate	0.04%	0.04%	0.09%	0.1%~100%	
Total carrying amount	\$ 5,003,348	\$ 242,174	\$ 22,060	\$ 12,974	\$ 5,280,556
Less: Loss allowance	\$ 2,001	\$ 97	\$ 20	\$ 5,175	\$ 7,293
<u>December 31, 2024</u>					
Expected loss rate	0.04%	0.04%	0.09%	0.1%~100%	
Total carrying amount	\$ 5,161,058	\$ 504,748	\$ 5,364	\$ 17,667	\$ 5,688,837
Less: Loss allowance	\$ 2,064	\$ 202	\$ 5	\$ 6,414	\$ 8,685

Group 1. Standard & Poor's, Fitch, or Moody's rating of A grade, or entities without external agency ratings but rated as A grade according to the Group's credit rating standards.

Group 2. Standard & Poor's or Fitch rating of BBB grade, Moody's rating of Baa grade, or entities without external agency ratings but rated as B or C grade according to the Group's credit rating standards.

Group 3. Standard & Poor's or Fitch rating of BB+ grade and below, or Moody's rating of Ba1 grade and below.

Group 4. Entities without external agency ratings and not rated as A, B, or C

grade according to the Group's credit rating standards.

- J. The changes in loss allowance for accounts receivable (including notes) and other receivables (including related parties) under the Group's simplified approach are as follows:

	2025	2024
January 1	\$ 8,685	\$ 6,041
Reversal of (provision for) impairment loss	(1,389)	2,202
Effect of exchange rate changes	(3)	442
December 31	<u>\$ 7,293</u>	<u>\$ 8,685</u>

- K. The Group's financial assets measured at amortized cost as of December 31, 2025 and 2024, are all considered low credit risk, therefore their carrying amounts are measured based on 12-month expected credit losses after the balance sheet date.

(3) Liquidity risk

- A. Cash flow forecasts are performed by each operating entity within the Group and aggregated by the Group's finance department. The Group's finance department monitors the forecast of the Group's liquidity requirements to ensure it has sufficient funds to meet operational needs and maintains adequate unused borrowing facilities at all times to prevent the Group from breaching borrowing limits or covenants. These forecasts take into consideration the Group's debt financing plans, covenant compliance, meeting internal balance sheet ratio targets, and compliance with external regulatory requirements such as foreign exchange controls.
- B. When the remaining cash held by the Group exceeds the required working capital management needs, the finance department invests the surplus funds in interest-bearing demand deposits, time deposits, money market deposits, and securities. The selected instruments have appropriate maturities or sufficient liquidity to accommodate the aforementioned forecasts and provide adequate flexibility, and are expected to generate immediate cash flows to manage liquidity risk.
- C. The following table groups the Group's non-derivative financial liabilities by their relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the following table are undiscounted amounts.

December 31, 2025	<u>Within 1 year</u>	<u>1 year to 2 years</u>	<u>2 years to 5 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>				
Lease liabilities	\$ 109,687	\$ 48,683	\$ 49,431	\$ 207,801

December 31, 2024	<u>Within 1 year</u>	<u>1 year to 2 years</u>	<u>2 years to 5 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>				
Lease liabilities	\$ 110,974	\$ 101,025	\$ 87,244	\$ 299,243

Except for those mentioned above, all non-derivative financial liabilities of the Group will mature within one year.

(III) Fair value information

1. The definitions of different levels of valuation techniques used for measuring the fair value of financial and non-financial instruments are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market refers to a market where transactions for assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair values of the Group's investments in listed/OTC stocks and beneficiary certificates belong to this category.

Level 2: Observable inputs for the asset or liability, either directly or indirectly, other than quoted prices included in Level 1. The fair values of the Group's derivative instruments and other investments belong to this category.

Level 3: Unobservable inputs for the asset or liability. The Group's investments in equity instruments with no active market belong to this category.

2. Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables, other current assets, notes payable, accounts payable, other payables, lease liabilities and other current liabilities) are reasonable approximations of their fair values.

3. For financial and non-financial instruments measured at fair value by the Group, the Group classifies them based on the nature, characteristics and risks of assets and liabilities, and their fair value hierarchy levels. The relevant information is as follows:

- (1) The Group classifies assets and liabilities based on their nature. The relevant information is as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Financial assets:				
<u>Recurring fair value</u>				
Financial assets measured at fair value through profit or loss				
- Open-end funds	\$ 533,493	\$ -	\$ -	\$ 533,493
Financial assets measured at fair value through other comprehensive income				
- Equity securities	\$ 21,119	\$ -	\$ 1,068,526	\$ 1,089,645
December 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets:				
<u>Recurring fair value</u>				
Financial assets measured at fair value through profit or loss				
- Open-end funds	\$ 11,767	\$ -	\$ -	\$ 11,767
Financial assets measured at fair value through other comprehensive income				
- Equity securities	\$ 711,425	\$ -	\$ 878,553	\$ 1,589,978

(2) The methods and assumptions used by the Group to measure fair value are described as follows:

A. The market quotations used by the Group as fair value inputs (Level 1) are listed below according to the characteristics of the instruments:

	Listed (OTC) company stocks	Open-end Funds
Market quotation	Closing price	Net asset value

B. Except for the financial instruments with active markets mentioned above, the fair values of other financial instruments are obtained through valuation techniques or by referring to counterparty quotations. The fair value obtained through valuation techniques can be determined by referring to the current fair value of other financial instruments with substantially similar terms and characteristics, or by using other valuation techniques, including models utilizing market information available at the consolidated balance sheet date.

C. The valuation of derivative financial instruments is based on valuation models widely accepted by market participants, such as discounted cash flow method and option pricing models. Forward foreign exchange contracts are usually valued based on current forward exchange rates.

D. The output of valuation models represents approximate estimates, and valuation techniques may not reflect all relevant factors of financial and non-financial instruments held by the Group. Therefore, the estimated values from valuation models are appropriately adjusted based on additional parameters, such as model

risk or liquidity risk. According to the Group's fair value valuation model management policy and related control procedures, management believes that valuation adjustments are appropriate and necessary to properly present the fair values of financial and non-financial instruments in the consolidated balance sheet. The price information and parameters used in the valuation process are carefully evaluated and appropriately adjusted according to current market conditions.

E. The Group incorporates credit risk valuation adjustments into the fair value calculation of financial and non-financial instruments to reflect counterparty credit risk and the Group's credit quality respectively.

4. There were no transfers between Level 1 and Level 2 for the years 2025 and 2024.
5. The following table shows the movements of Level 3 items for the nine months ended September 30, 2025 and 2024:

	Equity securities	
	2025	2024
January 1	\$ 878,553	\$ 849,276
Gains recognized in other comprehensive income	221,961 (	23,386)
Effect of exchange rate changes	(31,988)	52,663
December 31	\$ 1,068,526	\$ 878,553

6. There were no transfers into or out of Level 3 in 2025 and 2024.
7. The Group's valuation process for fair value classified as Level 3 is conducted by the investment management department, which is responsible for independent fair value verification of financial instruments. The process ensures that valuation results are close to market conditions by using independent source data, confirming that data sources are independent, reliable, consistent with other resources and represent executable prices. The department also regularly calibrates valuation models, performs back-testing, updates required inputs and data for valuation models, and makes any necessary fair value adjustments to ensure reasonable valuation results.

Additionally, the investment management department establishes fair value valuation policies and procedures for financial instruments and ensures compliance with relevant International Financial Reporting Standards.

8. The quantitative information about significant unobservable inputs used in Level 3 fair value measurement and the sensitivity analysis of changes in significant unobservable inputs are described below:

	Fair Value as of December 31, 2025	Valuation Technique	Significant Unobservable Input	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted stocks	\$ 1,000,618	Net asset value method	Lack of marketability discount	22%	The higher the market liquidity discount, the lower the fair value.
Unlisted stocks	67,908	Comparable company method	Price-to-book ratio	1.09	The higher the multiple, the higher the fair value
			Lack of marketability discount	20%	The higher the market liquidity discount, the lower the fair value.
	Fair value as of December 31, 2024	Valuation Technique	Significant Unobservable Input	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted stocks	\$ 813,637	Net asset value method	Lack of marketability discount	23%	The higher the market liquidity discount, the lower the fair value.
Unlisted stocks	64,916	Comparable company method	Price-to-book ratio	1.12	The higher the multiple, the higher the fair value
			Lack of marketability discount	20%	The higher the market liquidity discount, the lower the fair value.

9. The Group carefully evaluates and selects the valuation models and parameters used. However, using different valuation models or parameters may lead to different valuation results. For financial assets and financial liabilities classified as Level 3, if valuation parameters change, the impacts on current profit/loss or other comprehensive income are as follows:

Financial Assets	Period	Inputs	Change	Recognized in Other Comprehensive Income	
				Favorable change	Unfavorable change
Equity instruments	December 31, 2025	Lack of marketability discount	±1%	\$ 1,033	(\$ 1,033)
Equity instruments	December 31, 2025	Price-to-book ratio	±1%	\$ 623	(\$ 623)

Financial Assets	Period	Inputs	Change	Recognized in Other Comprehensive Income	
				Favorable change	Unfavorable change
Equity instruments	December 31, 2024	Lack of marketability discount	±1%	\$ 3,194	(\$ 3,194)
Equity instruments	December 31, 2024	Price-to-book ratio	±1%	\$ 580	(\$ 580)

XIII. Separately Disclosed Items

(I) Information on Significant Transactions

- Loans to others: Please refer to Table 1.
- Endorsements/guarantees provided for others: Please refer to Table 2.

3. Significant securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures): Please refer to Table 3.
4. Purchases from or sales to related parties amounting to NT\$100 million or 20% of paid-in capital or more: Please refer to Table 4.
5. Receivables from related parties amounting to NT\$100 million or 20% of paid-in capital or more: Please refer to Table 5.
6. Business relationships and significant intercompany transactions between the parent company and subsidiaries, and among subsidiaries: Please refer to Table 6.

(II) Information on Investee Companies

Names, locations and related information of investee companies (excluding investees in Mainland China): Please refer to Table 7.

(III) Information on investments in Mainland China

1. Basic information: Please refer to Table 8.
2. Significant transactions conducted with investee companies in Mainland China directly or indirectly through other companies in the third areas: Please refer to Table 4, 5 and 6.

XIV. OPERATING SEGMENTS INFORMATION

(I) General Information

The Group's main business activities include the development, manufacturing and sales of electronic components and computer peripherals such as electronic signal cables, connectors, electronic signal cables with connectors, printed circuit boards, and precision molds. The chief operating decision maker manages various business operations from a product category perspective, developing businesses based on different market characteristics and demands. Currently, the operations are mainly divided into "Electronic Components Segment" and "Consumer Electronics and Computer Peripherals Segment," both of which are reportable segments.

The information of each operating segment is prepared in accordance with the Group's accounting policies. The Group's chief operating decision maker primarily uses revenue and profit before tax of each operating segment as indicators for performance evaluation and resource allocation.

(II) Segment Information

The reportable segment information provided to the chief operating decision maker is as follows:

2025	Electronic Components	Consumer Electronics and Computer Peripherals	Total
Segment Revenue	\$ 13,369,080	\$ 8,401,759	\$ 21,770,839
Segment Profit (Loss)	\$ 886,354	\$ 405,044	\$ 1,291,398

2024	Electronic Components	Consumer Electronics and Computer Peripherals	Total
Segment Revenue	\$ 12,991,479	\$ 8,829,356	\$ 21,820,835
Segment Profit (Loss)	\$ 863,655	\$ 607,834	\$ 1,471,489

Note: Since the measurement amount of operating segment assets is not provided to the operating decision maker, the measurement amount of assets to be disclosed is zero.

(III) Reconciliation Information for Reportable Segment Revenue and Profit (Loss)

Since the revenue of reportable segments equals enterprise revenue, no reconciliation is needed. Furthermore, the reconciliation between reportable segment profit (loss) and profit (loss) before tax from continuing operations is as follows:

Profit (Loss)	2025	2024
Reportable Segment Profit (Loss)	\$ 1,291,398	\$ 1,471,489
Other Profit (Loss)	6,904	(5,268)
Profit or loss before income tax of continuing operations	\$ 1,298,302	\$ 1,466,221

(IV) Information by Product and Type of Service

The revenue from external customers primarily comes from sales operations of the reportable segments, which are classified based on product categories. Therefore, product segment revenue is considered the segment revenue of the reportable segments.

(V) Geography Information

The Geography Information of the Group for the years 2025 and 2024 is as follows:

	2025		2024	
	Revenue	non-current assets	Revenue	non-current assets
Mainland China	\$ 8,258,497	\$ 1,818,466	\$ 7,774,498	\$ 1,873,203
Taiwan	3,452,401	698,375	2,797,014	611,915
Hong Kong	2,974,041	-	3,927,178	-
Singapore	2,389,890	-	1,624,322	-
Malaysia	1,566,646	2,149,308	2,512,968	2,047,584
U.S.A.	1,048,724	16,433	1,719,187	15,357
Others	2,080,640	-	1,465,668	-
	\$ 21,770,839	\$ 4,682,582	\$ 21,820,835	\$ 4,548,059

(VI) Information on major customers

Customers Constituting Over 10% of the Consolidated Statement of Profit (Loss) Sales for the Group for the Years 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Customers of Group A	<u>\$ 6,325,525</u>	<u>\$ 5,066,366</u>

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
FINANCINGS PROVIDED
For the Years Ended December 31, 2025

TABLE 1

Unit: NT\$ thousand (unless otherwise noted)

<u>No.</u> <u>(Note 1)</u>	<u>Company lending</u> <u>funds</u>	<u>Counterparty</u>	<u>Financial</u> <u>Statement</u> <u>Account</u> <u>(Note 2)</u>	<u>Whether it</u> <u>is a related</u> <u>party</u>	<u>Maximum</u> <u>Balance for the</u> <u>Period</u> <u>(Note 3)</u>	<u>Balance at the</u> <u>end of the</u> <u>period</u> <u>(Note 8)</u>	<u>Actual</u> <u>Disburse</u> <u>ment</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Nature for</u> <u>Financing</u> <u>(Note 4)</u>	<u>Transacti</u> <u>on</u> <u>Amounts</u> <u>(Note 5)</u>	<u>Reason for Short-term</u> <u>Financing Necessity</u> <u>(Note 6)</u>	<u>Allowance</u> <u>for Bad</u> <u>Debts</u>	<u>Collateral</u> <u>Item</u> <u>Value</u>	<u>Credit Limit</u> <u>for Each</u> <u>Borrowing</u> <u>Company</u>	<u>Financing</u> <u>Company's Total</u> <u>Financing</u> <u>Amount Limits</u>	<u>Remarks</u>
1	Honghuasheng Precision Electronics (YanTai) Co., Ltd.	CJ Electric Systems (Wuhu)Co., Ltd.	Other Receivables - Related Parties	Yes	\$ 539,520	\$ 539,520	\$539,520	2.70%-Short-term 2.79% Financing	\$ -	Working Capital	\$ -	None	None	\$7,742,856	\$ 15,485,712	Note 7

Note 1: The descriptions of the number column are as follows:

(1) The issuer fills in 0.

(2) Investee companies are numbered sequentially starting from Arabic numeral 1 by company.

Note 2: If items recorded as receivables from associates, receivables from related parties, shareholder transactions, prepayments, temporary payments, etc., are of a lending nature, they must all be filled in this field.

Note 3: The maximum balance of funds lent to others during the current year.

Note 4: The nature of fund lending should be specified as either business transaction-related or necessary for short-term financing.

Note 5: For fund lending that is business transaction-related in nature, the business transaction amount should be filled in. The business transaction amount refers to the amount of business transactions between the lending company and the borrower in the most recent fiscal year.

Note 6: For fund lending that is necessary for short-term financing, specific reasons for the necessary lending and the borrower's intended use of funds should be explained, such as: loan repayment, equipment purchase, business operations, etc.

Note 7: When Honghuasheng Precision Electronics (YanTai) Co., Ltd. engages in fund lending, the total amount shall not exceed 400% of the lender's net worth; the limit for individual borrowers shall not exceed 200% of the lender's net worth.

Note 8: If a public company submits each fund lending case to the Board of Directors for resolution in accordance with Article 14, Paragraph 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," even though the funds have not yet been disbursed, the amount approved by the Board should still be included in the announced balance to disclose the risk undertaken; however, upon subsequent repayment of funds, the remaining balance after repayment shall be disclosed to reflect the adjustment in risk. If a public company authorizes the Chairman to make loans in installments or on a revolving basis within a certain limit and a one-year period through a Board resolution in accordance with Article 14, Paragraph 2 of the Regulations, the fund lending limit approved by the Board should still be used as the announced balance. Even though funds may be repaid subsequently, considering that they could be loaned again, the fund lending limit approved by the Board should still be used as the announced balance.

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
ENDORSEMENTS/ GUARANTEES PROVIDED
For the Years Ended December 31, 2025

TABLE 2

Unit: NT\$ thousand (unless otherwise noted)

No. (Note 1)	Name of Endorser/Guarantor	Endorsee/Guarantee Company	Relationship (Note 2)	Maximum	Highest	Endorsement		Actual Amount Drawn (Note 6)	Amount of Endorsements/ Guarantee Secured by Property	Ratio of Accumulated Endorsement / Guarantee to Net Equity in the Most Recent Financial Statements	Maximum Endorsement / Guarantee Allowable (Note 3)	Endorsements / Guarantees Made by Parent Company to Subsidiaries (Note 7)	Endorsements / Guarantees Made by Subsidiaries to Parent Company (Note 7)	Endorsements / Guarantees Made to Companies in China (Note 7)	Remarks
				Endorsement and Guarantee Limit for a Single Enterprise (Note 3)	Endorsement and Guarantee Balance during the Period (Note 4)	Endorsement and Guarantee Balance at the end of Period (Note 5)	Down (Note 6)								
1	P.I.E INDUSTRIAL ELECTRONICS BERHAD	PAN- INTERNATIONAL (MALAYSIA) SDN.BHD.	2	2,474,454	1,287,142	\$1,236,468	\$399,823	-	8.29	\$ 4,948,908	N	N	N		
1	P.I.E INDUSTRIAL WIRE&CABLE BERHAD	PAN- INTERNATIONAL (MALAYSIA) SDN.BHD.	2	2,474,454	98,493	97,504	7,090	-	0.65	4,948,908	N	N	N		
2	Pan- International Precision Electronic Co., Ltd.	CJ Electric Systems (Wuhu)Co., Ltd.	4	1,886,163	866,304	458,592	89,920	-	3.08	1,886,163	N	N	Y		
2	Pan- International Precision Electronic Co., Ltd.	Chaohu Ruichang Electric System Co., Ltd.	4	1,886,163	45,730	-	-	-	0.00	1,886,163	N	N	Y		
2	Pan- International Precision Electronic Co., Ltd.	Wuhu Herzhong Automotive Electronics Co., Ltd.	4	1,886,163	22,865	-	-	-	0.00	1,886,163	N	N	Y		

Note 1: The descriptions of the number column are as follows:

- (1) The issuer fills in 0.
- (2) Investee companies are numbered sequentially starting from Arabic numeral 1 by company.

Note 2: There are 7 types of relationships between the endorser/guarantor and the endorsed/guaranteed party. Simply mark the type:

- (1) Having business relationship.
- (2) Companies in which the Company directly or indirectly holds more than 50% of voting shares.
- (3) Companies that directly and indirectly hold more than 50% of voting shares in the Company.
- (4) Between companies in which the Company directly and indirectly holds 90% or more of voting shares.
- (5) Companies that mutually guarantee each other as required by contracts for needs of contracting construction work or joint builders.
- (6) Companies that are guaranteed by all shareholders in proportion to their shareholding percentages due to joint investment relationship.
- (7) Joint and several guarantees for performance of pre-sale housing sales contracts between companies in the same industry in accordance with the Consumer Protection Act.

Note 3: The total amount of endorsements or guarantees provided by the Company to others shall not exceed 100% of the Company's net worth; the limit for endorsements or guarantees provided to any individual counterparty shall not exceed 50% of the Company's net worth; the total amount of endorsements or guarantees provided by the Company and its subsidiaries as a whole to others shall not exceed 100% of the Company's net worth; the amount of endorsements or guarantees provided by the Company and its subsidiaries as a whole to a single enterprise shall not exceed 50% of the Company's net worth. The total amount of

endorsements or guarantees provided by P.I.E Industrial Berhad to others shall not exceed 100% of its net worth; the limit for endorsements or guarantees provided to any individual entity shall not exceed 50% of its net worth. For endorsements or guarantees between foreign subsidiaries in which the Company directly and indirectly holds 100% of voting shares, the total amount shall not exceed 100% of the guarantor's net worth, and the limit for any individual entity shall not exceed 100% of the guarantor's net worth.

Note 4: The maximum balance of endorsements or guarantees provided to others during the current year.

Note 5: The amount approved by the Board of Directors should be filled in. However, if the Board of Directors authorizes the Chairman to make decisions according to Article 12, Paragraph 8 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", this refers to the amount decided by the Chairman.

Note 6: The actual amount drawn by the guaranteed company within the balance of endorsements/guarantees should be entered.

Note 7: 'Y' should only be filled in for endorsements/guarantees provided by listed parent companies to subsidiaries, by subsidiaries to listed parent companies, or for endorsements/guarantees in Mainland China.

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
SECURITIES HELD AT END OF PERIOD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)
December 31, 2025

TABLE 3

Unit: NT\$ thousand (unless otherwise noted)

<u>Holding Company Name</u>	<u>Type of Securities</u>	<u>Name of Securities</u>	<u>Relationship with the Holding Company</u>	<u>Financial Statement Account</u>	<u>September 30, 2023</u>			<u>Remarks</u>
					<u>Number of Beneficiary Certificates</u>	<u>Carrying Amount (Note 1)</u>	<u>Ownership Percentage</u>		Fair Value
Pan-International Industrial Corp.	Corporate bonds	Shin Kong Life Insurance Co., Ltd. 2023 First Unsecured Cumulative Subordinated Corporate Bonds	None	Financial Assets Measured at Amortized Cost - Non-current	-	\$290,000	-\$290,000	
Pan-International Industrial Corp.	Common Stock	Innolux Corporation	The major shareholder of the company is a major shareholder of Hon Hai Precision Industry Co., Ltd.	Financial Assets Measured at Fair Value through Other Comprehensive Income - Non-current	12,831,500	67,908	5.23	67,908
P.I.E. INDUSTRIAL BERHAD	Open-end Funds	AFFIN HWANG AAIMAN MONEY MARKET FUNDI	None	Financial Assets Measured at Fair Value through Profit or Loss - Current	17,822,114	82,805	0.07	82,805
GLOBAL GREENCHAIN INNOVATION SDN. BHD.	Open-end Funds	AFFIN HWANG AAIMAN MONEY MARKET FUNDI	None	Financial Assets Measured at Fair Value through Profit or Loss - Current	96,987,871	450,583	0.40	450,583
PAN GLOBAL HOLDING CO.,LTD.	Class B Shares	CYBERTAN TECHNOLOGY CORP.	Companies using equity method to evaluate investments in this company are the same as this company	Financial assets measured at fair value through other comprehensive income - non-current	28,498,993	895,992	16.87	895,992
PAN GLOBAL HOLDING CO.,LTD.	Common Stock	FSK HOLDINGS LIMITED	Companies using equity method to evaluate investments in this company are the same as this company	Financial assets measured at fair value through other comprehensive income - non-current	50,400,000	104,627	17.50	104,627

Note 1: The disclosure standard for securities held at the end of period is securities with carrying amount reaching 5% or more of the total amount of that account.

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
For the Years Ended December 31, 2025

TABLE 4

Company Name	Counterparty	Relationship	Transaction Details				Payment Terms and Reason for Abnormal Transaction		Unit: NT\$ thousand (unless otherwise noted) Notes/ Accounts Payable or Receivable		Remarks
			Purchase or Sale	Amount	% to Total	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes and Accounts Receivable (Payable)	
Pan-International Industrial Corp.	PAN-INTERNATIONAL ELECTRONICS INC.	The Company's indirectly invested subsidiary	Sales	\$263,353	3	120-day T/T after monthly closing	No comparison basis as not sold to other customers	No significant difference	\$35,256	2	
Pan-International Industrial Corp.	Cloud Network Technology Singapore Pte. Ltd.	Hon Hai Precision's Indirectly Invested Subsidiary	Sales	142,904	2	90-day T/T after monthly closing	No comparison basis as not sold to other customers	No significant difference	45,976	2	
Pan-International Industrial Corp.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Hon Hai Precision's Indirectly Invested Subsidiary	Sales	920,652	10	90-day T/T after monthly closing	No comparison basis as not sold to other customers	No significant difference	374,934	16	
Pan-International Industrial Corp.	FIH (Hong Kong) Limited	Hon Hai Precision's Indirectly Invested Subsidiary	Sales	299,223	3	90-day T/T after monthly closing	No comparison basis as not sold to other customers	No significant difference	93,466	4	
Pan-International Industrial Corp.	Hon Hai Precision Industry Co., Ltd.	Company accounted for using equity method by the Company	Sales	3,006,019	34	90-day T/T after monthly closing	No comparison basis as not sold to other customers	No significant difference	968,420	42	
P.I.E INDUSTRIAL BERHAD	Cloud Network Technology Singapore Pte. Ltd.	Hon Hai Precision's Indirectly Invested Subsidiary	Sales	245,256	4	Net 30 days from the end of the month of when invoice is issued	No comparison basis as not sold to other customers	No significant difference	75,821	6	
Newocean Precision Component (Jiangxi) Co.,Ltd	Foxconn Interconnect Technology Limited Taiwan Branch (Cayman)	Hon Hai Precision's Indirectly Invested Subsidiary	Sales	1,117,603	98	Net 60 days from the end of the month of when invoice is issued	No comparison basis as not sold to other customers	No significant difference	586,800	100	
CJ Electric Systems (Wuhu)Co., Ltd.	YiBing Pan-International Vehicle Wire Co., Ltd.	The Company's indirectly invested subsidiary	Sales	564,457	17	Net 30 days from the end of the month of when invoice is issued	No sales to other customers for price comparison	No significant difference	316,549	48	
Pan-International Industrial Corp.	Honghuasheng Precision Electronics (YanTai) Co., Ltd.	The Company's indirectly invested subsidiary	Purchase of goods	3,707,675	45	Net 90 days from the end of the month of when invoice is issued	No comparison basis due to single supplier	No significant difference	(831,278)	(39)	
Pan-International Industrial Corp.	Pan-International Precision Electronic Co., Ltd.	The Company's indirectly invested subsidiary	Purchase of goods	899,727	11	Net 90 days from the end of the month of when invoice is issued	No comparison basis due to single supplier	No significant difference	(155,725)	(7)	
Pan-International Industrial Corp.	Foxconn Interconnect Technology Limited Taiwan Branch (Cayman)	Hon Hai Precision's Indirectly Invested Subsidiary	Purchase of goods	1,286,423	16	Net 90 days from the end of the month of when invoice is issued	No comparison basis due to single supplier	No significant difference	(304,274)	(14)	
Tekcon Huizhou Electronics Co., Ltd.	Huaian Fultong Trading Co., Ltd.	Hon Hai Precision's Indirectly Invested Subsidiary	Purchase of goods	185,495	89	Net 90 days from the end of the month of when invoice is issued	No comparison basis due to single supplier	No significant difference	(193,830)	(86)	
Tekcon Electronics Corp.	Foxconn Interconnect Technology Limited Taiwan Branch (Cayman)	Hon Hai Precision's Indirectly Invested Subsidiary	Purchase of goods	768,390	96	Net 120 days from the end of the month of when invoice is issued	No comparison basis due to single supplier	No significant difference	(169,742)	(87)	

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
December 31, 2025

TABLE 5

Unit: NT\$ thousand (unless otherwise noted)

<u>Company Name</u>	<u>Counterparty</u>	<u>Relationship</u>	<u>Balance of</u>	<u>Turnover</u>	<u>Overdue receivables from related</u>		<u>Amounts Received in</u> <u>Subsequent Period</u>	<u>Allowance for Loss</u> <u>Provided</u>
			<u>Receivables from</u> <u>Related Parties (Note</u> <u>1)</u>	<u>Rate</u>	<u>Amount</u>	<u>parties</u> <u>Action Taken</u>		
Pan-International Industrial Corp.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Hon Hai Precision's Indirectly Invested Subsidiary	\$374,934	2.82	\$-	-	\$92,512	\$150
Pan-International Industrial Corp.	Hon Hai Precision Industry Co., Ltd.	Company accounted for using equity method by the Company	968,420	3.83	1,931	Subsequent collection	301,589	391
Honghuasheng Precision Electronics (YanTai) Co., Ltd.	Pan-International Industrial Corp.	Parent company of our company	831,278	3.87	-	-	163,436	322
Pan-International Precision Electronic Co., Ltd.	Pan-International Industrial Corp.	Parent company of our company	155,725	6.33	458	Subsequent collection	81,921	-
Newocean Precision Component (Jiangxi) Co.,Ltd	Foxconn Interconnect Technology Limited Taiwan Branch (Cayman)	Hon Hai Precision's Indirectly Invested Subsidiary	586,800	2.51	-	-	380,790	235
CJ Electric Systems (Wuhu)Co., Ltd.	YiBing Pan-International Vehicle Wire Co., Ltd.	The Company's indirectly invested subsidiary	316,549	1.92	231,820	Subsequent collection	84,729	127

Note 1: For information regarding receivables from related party financing that reach NT\$100 million or 20% of paid-in capital, please refer to the explanation in Table 1.

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
 BUSINESS RELATIONSHIPS, SIGNIFICANT TRANSACTIONS AND AMOUNTS BETWEEN PARENT COMPANY, SUBSIDIARIES AND AMONG SUBSIDIARIES
 January 1 to December 31, 2025

TABLE 6

Unit: NT\$ thousand (unless otherwise noted)

No. (Note 1)	Company Name	Counterparty	Relationship with Trading Party (Note 2)	Financial Statement		Trading Details (Note 4, Note 7)		Percentage of Consolidated Revenue or Total Assets (Note 3)
				Account	Amount	Payment Terms		
0	Pan-International Industrial Corp.	Honghuasheng Precision Electronics (YanTai) Co., Ltd.	1	Purchase of goods	3,707,675	Note 5	17	
0	Pan-International Industrial Corp.	Pan-International Precision Electronic Co., Ltd.	1	Purchase of goods	899,727	Note 5	4	
0	Pan-International Industrial Corp.	PAN-INTERNATIONAL ELECTRONICS INC.	1	Sales	263,353	Note 5	1	
1	Honghuasheng Precision Electronics (YanTai) Co., Ltd.	Pan-International Industrial Corp.	2	Accounts receivable	831,278	Note 5	3	
2	Pan-International Precision Electronic Co., Ltd.	Pan-International Industrial Corp.	2	Accounts receivable	155,725	Note 5	1	
3	CJ Electric Systems (Wuhu)Co., Ltd.	YiBing Pan-International Vehicle Wire Co., Ltd.	3	Sales	564,457	Note 6	3	
3	CJ Electric Systems (Wuhu)Co., Ltd.	YiBing Pan-International Vehicle Wire Co., Ltd.	3	Accounts receivable	316,549	Note 6	1	

Note 1: Business transactions between the parent company and subsidiaries should be indicated separately in the number column. The numbering method is as follows:
 (1) Parent company is numbered 0
 (2) The subsidiaries are numbered in order starting from "1".

Note 2: There are three types of relationships with transaction parties. Simply indicate the type (If it's the same transaction between parent-subsidiary or between subsidiaries, no need for repeated disclosure). For example, transactions between the parent company and its subsidiaries need not be repeatedly disclosed by the subsidiaries if already disclosed by the parent company; similarly, for transactions between subsidiaries, if one subsidiary has already disclosed the transaction, the other subsidiary need not repeat the disclosure:
 (1) Parent company to subsidiary.
 (2) Subsidiary to parent company.
 (3) Subsidiary to subsidiary.

Note 3: For calculating the ratio of transaction amounts to consolidated total revenue or total assets: for balance sheet items, calculate using the ending balance as a percentage of consolidated total assets; for income statement items, calculate using the accumulated amount at period end as a percentage of consolidated total revenue.

Note 4: The disclosure standard for the above business transactions between parent company and subsidiaries is when the amounts of purchases, sales, and receivables from related parties reach 1% of total assets or 5% of revenue.

Note 5: Transaction prices are negotiated, and payment terms are net 90 days from the end of the month of when the invoice is issued.

Note 6: Transaction prices are negotiated, and payment terms are net 90 days from the end of the month of when the invoice is issued.

Note 7: For information regarding receivables from related party financing that reach NT\$100 million or 20% of paid-in capital, please refer to the explanation in Table 1.

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
 NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE COMPANIES (EXCLUDING INVESTEES IN MAINLAND CHINA)
 December 31, 2025

TABLE 7

Unit: NT\$ thousand (unless otherwise noted)

Name of Investor	Name of Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2023		Investment Income (Loss)		Remarks	
				End of Current Period	End of Last Year	Number of shares	%	Carrying Amount	Investee		Net Profit recognized or Loss of in the current period
Pan-International Industrial Corp.	PAN GLOBAL HOLDING CO., LTD.	British Virgin Islands	Holding Company	\$1,759,731	\$1,759,731	6,726	100	\$10,540,597	\$429,126	\$429,126	
Pan-International Industrial Corp.	PAN-INTERNATIONAL ELECTRONICS INC.	U.S.A.	Sales of Electronic Related Products	73,142	73,142	28,000	100	264,422	7,030	7,030	
Pan-International Industrial Corp.	Yann-Yang Investment Corp.	Taiwan	Investment Company	363,997	363,997	33,316,236	100	111,359	9,262	9,262	
Pan-International Industrial Corp.	GLOBAL GREENCHAIN INNOVATION SDN. BHD.	Malaysia	Production and Sales of Electronic Products	427,865	-	60,500,000	100	471,140	2,272	2,272	
Pan-International Industrial Corp.	PAN-INTERNATIONAL ELECTRONICS (THAILAND) CO., LTD.	Thailand	Production and Sales of Connection Cables	176,587	176,587	4,090,900	45	177,947	(25,571)	(11,507)	
Yann-Yang Investment Corp.	Tekcon Electronics Corp.	Taiwan	Production and Sales of Electronic Signal Cables with Connectors	393,898	393,898	21,960,504	83.58	102,578	11,082	9,262	
PAN GLOBAL HOLDING CO., LTD.	P.I.E. INDUSTRIAL BERHAD (PIB)	Malaysia	Holding Company	43,845	43,845	197,459,985	51.42	2,455,404	147,106	81,558	Note 1
PAN GLOBAL HOLDING CO., LTD.	BEYOND ACHIEVE ENTERPRISE LIMITED (BAE)	British Virgin Islands	Holding Company	301,728	301,728	9,600,000	100	765,701	3,202	3,202	Note 2
PAN GLOBAL HOLDING CO., LTD.	TEAM UNION INTERNATIONAL LTD. (TUI)	Hong Kong	Holding Company	578,312	578,312	18,768,601	100	1,945,731	71,155	71,155	Note 3
PAN GLOBAL HOLDING CO., LTD.	EAS THONEST HOLDINGS LIMITED (EHH)	Hong Kong	Holding Company	3,369,842	3,369,842	665,799,420	100	3,871,723	348,545	348,545	Note 4
PAN GLOBAL HOLDING CO., LTD.	Long Time Technology Co., Ltd.	Taiwan	Electronic Components	646,000	646,000	20,187,500	16.93	382,429	(169,671)	(28,725)	
Tekcon Electronics Corp.	Long Time Technology Co., Ltd.	Taiwan	Electronic Components	250,000	250,000	7,812,500	5.48	148,011	(169,671)	(11,114)	
PAN-INTERNATIONAL ELECTRONICS (MALASIA) SDN. BHD.	PAN-INTERNATIONAL CORPORATION (S)PTE.LTD.(PIS)	Singapore	Production and Sales of Electronic Signal Cables with Connectors	2,445	2,445	100,000	30	5,588	261	78	Note 5

Note 1: The Company mainly invests indirectly through PIB in Pan-International Electronics (Malaysia) Sdn. Bhd. and Pan-International Wire & Cable (Malaysia) Sdn. Bhd. for the production of cables with connectors or electronic products and sales in Malaysia.

Note 2: The Company mainly invests indirectly through BAE in Newocean Precision Component (Jiangxi) Co., Ltd. For the disclosure of investment information in Mainland China, please refer to Table 8.

Note 3: The Company mainly invests indirectly through TUI in Pan-International Precision Electronic Co., Ltd. For the disclosure of investment information in Mainland China, please refer to Table 8.

Note 4: The Company mainly invests indirectly through EHH in Honghuasheng Precision Electronics (YanTai) Co., Ltd. For the disclosure of investment information in Mainland China, please refer to Table 8.

Note 5: The Company's subsidiary PIS conducted a cash capital increase in the first quarter of 2023, and the Group did not subscribe according to its shareholding ratio, resulting in a decrease in shareholding ratio to 30%.

Note 6: The figures in this table are presented in New Taiwan Dollars. For amounts involving foreign currencies, they are converted to New Taiwan Dollars using the exchange rate as of the financial report date.

PAN-INTERNATIONAL INDUSTRIAL CORP. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA - BASIC INFORMATION
For the Years Ended December 31, 2025

TABLE 8

Unit: NT\$ thousand (unless otherwise noted)

Investee Company Name	Main Businesses and Products	Paid-in Capital	Investment Method (Note 2)	Accumulate	Remitted or repatriated	Accumulated	Net Profit or Loss of the Investee	Percentage of Ownership in Direct or Indirect Investment	Investment Gain (Loss) Recognized in Current Period (Note 3)	Carrying Amount as of September 30, 2023	Accumulate	Remarks	
				d Investment Amount Remitted from Taiwan	amount of investment for the period	Investment Amount Remitted from Taiwan					d Inward Remittance as of		
				at Beginning of Period	Outward Remittance	at End of Period					as of September 30, 2023	as of September 30, 2023	
Honghuasheng Precision Electronics (YanTai) Co., Ltd.	Manufacturing and sales of rigid single/double-sided printed circuit boards, rigid multi-layer printed circuit boards, flexible multi-layer printed circuit boards and other printed circuit boards	\$2,696,694	2	\$2,781,555	\$-	\$-	\$2,781,555	\$447,276	100	\$447,276	\$3,871,428	\$1,504,679	Note 4
Pan-International Precision Electronic Co., Ltd.	Manufacturing and sales of wires, cables, connection wires, connectors, and wire plugs	515,452	2	392,875	-	-	392,875	75,306	100	75,306	1,886,163	-	Note 6
Pan-International Sunrise Trading Corp.	Sales of cables, computer accessories, wireless Bluetooth devices, and turnkey solutions	13,488	3	-	-	-	8,593	100	8,593	124,550	-	-	
Fuyu properties (Shanghai) Co., Ltd.	Engaged in industrial design, other specialized design services, car rental, other general merchandise retail, computer and peripheral equipment, software sales, communication equipment retail, audio-visual equipment retail, auto and motorcycle parts and accessories retail, and e-commerce business for the aforementioned retail goods and equipment	5,267,176	2	856,468	-	-	856,468	227,937	16.87	-	895,992	-	Note 8
Newocean Precision Component (Jiangxi) Co.,Ltd	Production and operation of various plugs, sockets, and telecommunications business	301,728	2	-	-	-	3,202	100	3,202	765,699	-	-	
CJ Electric Systems (Wuhu)Co., Ltd.	Production and sales of automotive wire harness products	350,661	3	-	-	-	(42,397)	100	(42,397)	1,333,352	-	-	
YiBing Pan-International Vehicle Wire Co., Ltd.	Manufacturing of auto parts and accessories, intelligent in-vehicle equipment, etc.	168,510	3	-	-	-	(26,689)	100	(26,689)	47,228	-	-	

<u>Company</u>	<u>Cumulative Amount of Investments Remitted from Taiwan to Mainland China as of the end of the Period (Notes 5 and 6)</u>	<u>Investment Amounts Authorized by Investment Commission, MOEA</u>	<u>Investment limit in Mainland China According to Regulations of the Investment Commission, MOEA (Note 7)</u>
Pan-International Industrial Corp.	\$4,456,491	\$6,425,530	\$-

Note 1: The figures in this table are presented in New Taiwan Dollars. For amounts involving foreign currencies, they are converted to New Taiwan Dollars using the exchange rate as of the financial report date.

Note 2: Investment methods are classified into the following three categories:

1. Directly invest in a company in mainland China.
2. Investment in Mainland China through a third-region company Pan Global Holding Co., Ltd
3. Other methods.

Companies reinvested in Mainland China through China investment enterprises include Pan-International Sunrise Trading Corp., CJ Electric Systems Co., Ltd., and YiBing Pan-International Vehicle Wire Co., Ltd. Except for those China investment enterprises that are holding companies, their reinvestments must obtain prior approval from the Investment Commission of the Ministry of Economic Affairs, while other reinvestments do not require application to the Investment Commission.

Note 3: The recognized investment gains/losses column, except for Pan-International Sunrise Trading Corp., are recognized based on financial reports that have been audited or reviewed by accountants.

Note 4: In the first quarter of 2012, the Company acquired 100% equity of EASTHONESTHOLDINGSLIMITED through its subsidiary Pan Global Holding Co., Ltd., and indirectly acquired Honghuasheng Precision Electronics (YanTai) Co., Ltd., with an approved investment amount of USD 107,217 thousand from the Investment Commission of the Ministry of Economic Affairs.

Note 5: As of September 30, 2025, the Company obtained approval from the Investment Commission of the Ministry of Economic Affairs for the following investment withdrawal cases:

<u>Date</u>	<u>Approval Document Number</u>	<u>Name of Investee Company</u>	<u>Original Investment Amount Remitted from Taiwan</u>
September 5, 2003	0920028972	Dongguan Junwang Technology Co., Ltd.	USD91 thousand
December 9, 2010	09900496780	Saibo Digital Technology (Guangzhou) Co., Ltd.	476 thousand
May 30, 2011	10000205680	Yunnan Saibo Digital Technology Co., Ltd.	190 thousand
May 30, 2011	10000205690	Chongqing Saibotel Digital Square Co., Ltd.	454 thousand
May 30, 2011	10000205700	Nanchong Saibo Digital Square Co., Ltd.	<u>58 thousand</u>
			<u>USD1,269 thousand</u>

Due to losses of these reinvested companies, the original investment amount remitted from Taiwan cannot be deducted from the mainland China investment quota.

Note 6: The Corporation obtained approval from the Ministry of Economic Affairs Investment Commission in November 2011 under Letter Economic-Review-Two No. 10000518690 to revoke the unapplied approved investment amount of USD 500 thousand in Pan-International Precision Electronic Co., Ltd. On October 30, 2014, the Corporation obtained approval from the Ministry of Economic Affairs Investment Commission under Letter Economic-Review-Two No. 10300233110 for the transfer of 42 companies, including Cyberport Digital Tech (Qingdao) Co., Ltd, to LE ZHIWAN RANCH HOLDING INVESTMENT LIMITED in Samoa. In March 2017, the Corporation obtained approval from the Ministry of Economic Affairs Investment Commission under Letter Economic-Review-Two No. 10600038030 to revoke the unapplied approved investment amount of USD 5,200 thousand in UER Technology Corporation (Shenzhen).

Note 7: In December 2023, the Company obtained the certificate of compliance with operational headquarters scope from the Industrial Development Bureau, Ministry of Economic Affairs (Letter No. 11120436260), effective from November 27, 2025 to November 26, 2028, during which period no investment limit calculation is required.

Note 8: In the second quarter of 2021, the Company's subsidiary Pan Global Holding Co., Ltd. sold its 16.87% Class A shares in Cybertan Technology Corp., indirectly disposing of its mainland China investment enterprise Fuyu Properties (Shanghai) Co., Ltd., As of September 30, 2025, the Company indirectly held 16.87% Class B shares in its reinvested enterprise Fuyu Properties (Shanghai) Co., Ltd.