Stock Code: 3011

Ji-Haw Industrial, Co., Ltd.

Parent Company Only Financial Statements with Independent Auditors' Report

2025 and 2024

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Independent Auditor's Report

To Ji-Haw Industrial, Co., Ltd:

Opinions

We have audited the accompanying consolidated financial statements of Ji-Haw Industrial, Co., Ltd. ("the Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

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

Basis of Audit Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities as an auditor under the abovementioned standards will be explained in the Responsibilities paragraph. We are independent of Ji-Haw Industrial, Co., Ltd. in accordance with the Certified Public Accountants Code of Professional Ethics in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Issues

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of Ji-Haw Industrial, Co., Ltd. of 2025. These issues have already been addressed when we audited and formed our opinions on the

Parent Company Only Financial Statements. Therefore we do not provide opinions separately for individual issues.

We have determined the matters described below to be the key audit matters of the 2025 financial statements of Ji-Haw Industrial, Co., Ltd. to be communicated in our report.

Occurrence of Revenue Recognition from Sales

Ji-Haw Industrial Co., Ltd. ("the Company") is primarily engaged in the manufacturing, processing, and sales of precision electronic connectors and sockets, connectors, wires, cables, various electronic components, and other industrial and commercial services. Although overall market demand declined during the year, sales revenue from certain customers increased against the trend. As the amount and proportion of this increase were significant, we, as the auditors, have identified the recognition of sales revenue from these customers as a key audit matter for Ji-Haw Industrial Co., Ltd. Refer to Note 4 to the parent company only financial statements for the accounting policies and disclosures related to operating revenue.

Our principal audit procedures conducted to address the aforementioned key audit matters included:

1. Understand and test the design and implementation effectiveness of main internal controls related to the recognition of sales revenue.
2. Select sufficient samples from the transaction details of customers from whom the sales revenue has increased significantly, check the transaction vouchers, and confirm the remittance beneficiary and the payment collection process to confirm the existence of the sales transaction.

Responsibilities of the Management and Governance Body to the Parent Company Only Financial Statements

Responsibilities of the management were to prepare and ensure fair presentation of the Parent Company Only Financial Statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and to exercise proper internal control practices that are relevant to the preparation of Parent Company Only Financial Statements so that the Parent Company Only Financial Statements are free of material misstatements, whether caused by fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability of Ji-Haw Industrial, Co., Ltd. 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 Ji-Haw Industrial, Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process of Ji-Haw Industrial, Co., Ltd.

Responsibilities of the Auditor When Auditing Parent Company Only Financial Statements

The purposes of our audit were to obtain reasonable assurance of whether the Parent Company Only Financial Statements were prone to material misstatements, whether due to fraud or error, and to issue a report of our audit opinions. We considered assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with auditing principles do not necessarily guarantee detection of all material misstatements within the Parent Company Only Financial Statements. Misstatements can arise from fraud or error Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the Parent Company Only Financial Statement user.

In conducting our audit in accordance with auditing standards, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

1. Identifying and assessing risks of material misstatement due to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Ji-Haw Industrial, Co., Ltd.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Ji-Haw Industrial, Co., Ltd. to continue as a going concern. We are bound to remind users of Parent Company Only Financial Statements and make related disclosures if uncertainties exist in regards to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Ji-Haw Industrial, Co., Ltd. to cease to continue as a going concern.

5. Assessing the overall presentation, structure, and contents of the Parent Company Only Financial Statements (including related footnotes), and whether certain transactions and events are presented appropriately in the Parent Company Only Financial Statements.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within Ji-Haw Industrial, Co., Ltd. to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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

Deloitte Taiwan

CPA Huang Yao-Lin	CPA Chou Shih-Chieh
FSC approval reference number Jin-Guan-Zheng-Shen-Zi No. 1060004806	FSC approval reference number Jin-Guan-Zheng-Shen-Zi No. 1110348898

March 16, 2026

Ji-Haw Industrial, Co., Ltd.

Balance Sheets

December 31, 2025 and 2024

Unit: NT$ thousand

Account	Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 and 6)	$ 114,041	5	$ 40,159	2
1170	Accounts receivable (Note 4, 10, 21 and 27)	142,321	6	248,972	9
1210	Other receivables – related parties (Note 27)	7,246	-	7,600	-
130X	Inventories (Note 4 and 11)	55,804	2	63,578	2
1470	Other current assets (Note 4, 23 and 27)	9,412	-	16,968	1
11XX	Total current assets	328,824	13	377,277	14
	Non-current Assets				
1510	Non-current financial assets at fair value through profit or loss (notes 4 and 7)	31,379	1	-	-
1517	Financial Assets at Fair Value Through Other Comprehensive Income – Non-current (Notes 4, 8 and 12)	88,416	3	47,677	2
1535	Financial assets at amortized cost – non-current (Notes 4, 9, and 28)	12,000	1	-	-
1550	Investments accounted for using equity method (Note 4 and 12)	1,031,584	40	1,159,059	44
1600	Property, plants, and equipment (Notes 4, 13 and 28)	199,135	8	173,071	6
1755	Right-of-use assets (Notes 4 and 14)	9,846	-	20,563	1
1760	Investment properties (Notes 4, 15 and 28)	843,666	33	841,347	32
1780	Intangible assets (Notes 4 and 16)	23,367	1	20,837	1
1840	Deferred income tax assets (Notes 4 and 23)	10,841	-	5,802	-
1975	Net defined benefit asset (Notes 4 and 19)	62	-	-	-
1990	Other non-current assets (Note 4)	11,392	-	8,336	-
15XX	Total non-current assets	2,261,688	87	2,276,692	86
1XXX	Total assets	$ 2,590,512	100	$ 2,653,969	100

Account	Liabilities And Equity	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current liabilities				
2100	Short-term borrowing (Notes 17 and 28)	$ -	-	$ 590,000	22
2170	Notes and Accounts Payable	2,400	-	20,231	1
2180	Accounts payable－related parties (Note 27)	436,625	17	391,787	15
2200	Other payables (Notes 18 and 27)	15,274	1	18,837	1
2280	Current lease liabilities (Note 4 and 14)	11,250	-	11,189	-
2320	Long-term borrowings due within one year (Notes 17 and 28)	53,400	2	-	-
2399	Other current liabilities	2,118	-	607	-
21XX	Total current liabilities	521,067	20	1,032,651	39
	Non-current liabilities				
2540	Long-term borrowing (Notes 17 and 28)	708,000	28	53,400	2
2570	Deferred income tax liabilities (Notes 4 and 23)	32,895	1	39,751	2
2580	Non-current lease liabilities (note 4 and 14)	4,893	-	10,485	-
2640	Net defined benefit liabilities (Notes 4 and 19)	-	-	192	-
2645	Guarantee deposits	-	-	343	-
25XX	Total non-current liabilities	745,788	29	104,171	4
2XXX	Total liabilities	1,266,855	49	1,136,822	43
	Equity (Notes 4 and 20)				
3100	Common stock	1,251,468	48	1,127,192	42
3200	Capital surplus	26,483	1	2,937	-
	Retained earnings (accumulated losses)				
3320	Special reserve	50,060	2	298,757	11
3350	Losses to be offset	(294,748)	(11)	(248,370)	(9)
3300	Total retained earnings (accumulated losses)	(244,688)	(9)	50,387	2
3400	Other equity	290,394	11	336,631	13
3XXX	Total equity	1,323,657	51	1,517,147	57
	Total liabilities and equities	$ 2,590,512	100	$ 2,653,969	100

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

Chair: Shih, Hao-Ji Manager: Lin Meng-Chieh Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd.

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

Unit: NT$ thousand, except for losses per share in NT$

		2025		2024	
Account		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 21 and 27)	$ 428,856	100	$ 577,905	100
5000	Operating costs (Notes 11, 16, 22 and 27)	410,741	96	544,900	94
5900	Gross profit	18,115	4	33,005	6
	Operating expenses (Notes 10, 16, 19, 22 and 27)				
6100	Selling expenses	43,641	10	45,781	8
6200	Administrative expenses	82,540	19	79,255	14
6300	Research and Development Expenses	26,385	6	14,252	3
6450	Impairment loss (reversal) of expected credit loss	(852)	-	1,211	-
6000	Total operating expenses	151,714	35	140,499	25
6900	Net operating loss	(133,599)	(31)	(107,494)	(19)
	Non-operating income and expenses				
7100	Interest income (Notes 22 and 27)	2,764	1	584	-
7010	Other income (Notes 14, 15, 22 and 27)	12,205	3	18,960	3
7020	Other gains and losses (Notes 4, 12, 15 and 22)	(3,449)	(1)	(29,724)	(5)
7050	Financial costs (Notes 4 and 22)	($ 14,689)	(4)	($ 8,375)	(1)
7060	Share of the profit of subsidiaries and affiliates accounted for using equity method (Notes 4 and 12)	(168,070)	(39)	(128,804)	(22)
7000	Total non-operating income and expenses	(171,239)	(40)	(147,359)	(25)
7900	Loss before tax	(304,838)	(71)	(254,853)	(44)
7950	Income tax benefit (Notes 4 and 23)	11,907	3	6,072	1
8200	Net loss for the year	(292,931)	(68)	(248,781)	(43)
	Other comprehensive income Items Not Reclassified Into Profit or Loss				

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Account		2025 Amount	2025 %	2024 Amount	2024 %
8311	Gains (losses) on remeasurements of defined benefit plans (Notes 4 and 19)	61	-	514	-
8312	Revaluation increment of property (Notes 4, 15 and 20)	-	-	237,658	41
8316	Unrealized Gains/Losses on Valuation of Equity Instruments at Fair Value Through Other Comprehensive Income (Notes 4 and 20)	(6,514)	(2)	(4,363)	(1)
8330	Share of other comprehensive income of subsidiaries and affiliated companies under equity method (Notes 4, 12 and 20)	(27,899)	(6)	177,921	31
8349	Income tax related to components of items that will not be reclassified to profit or loss (note 4, 20 and 23)	(12)	-	(29,562)	(5)
8310		(34,364)	(8)	382,168	66
	Items Likely to be Reclassified Into Profit or Loss				
8361	Exchange differences on translation of foreign operations (note 4)	($ 11,765)	(3)	$ 45,860	8
8380	Share of other comprehensive income of subsidiaries under equity method (Note 4)	(59)	-	(11)	-
8360		(11,824)	(3)	45,849	8
8300	Other comprehensive income (after tax)	(46,188)	(11)	428,017	74
8500	Total comprehensive income for the year	($ 339,119)	(79)	$ 179,236	31
	Loss per share (Note 24)				
9710	Basic	($ 2.55)		($ 2.21)	

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

Chair: Shih Hao-Ji Manager: Lin Meng-Chieh Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd.

Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

Unit: thousands of New Taiwan Dollar unless otherwise specified

Account		Common shares	Capital surplus	Retained earnings (accumulated losses)				Other equity				Total equity
				Appropriated as legal capital reserve	Special reserve	Losses to be offset	Total	Exchange differences on the translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation increment of property	Total	
A1	Balance on January 1, 2024	$ 1,127,192	$ 226,697	$ 23,586	$ 218,029	($ 168,797)	$ 72,818	($ 76,975)	($ 14,000)	$ -	($ 90,975)	$ 1,335,732
B3	Appropriation of special reserve in accordance with Jin-Guan-Zheng-Fa-Zi Order No. 10901500221	-	-	-	298,757	(298,757)	-	-	-	-	-	-
	Appropriation and distribution of earnings for 2023:											
B13	Legal reserve to offset deficits	-	-	(23,586)	-	23,586	-	-	-	-	-	-
B15	Special surplus reserve for offsetting deficits	-	-	-	(218,029)	218,029	-	-	-	-	-	-
C11	Capital reserve to offset deficit	-	(225,939)	-	-	225,939	225,939	-	-	-	-	-
D1	Loss for the year ended December 31, 2024	-	-	-	-	(248,781)	(248,781)	-	-	-	-	(248,781)
D3	Other comprehensive income for the year ended December 31, 2024	-	-	-	-	411	411	45,849	(18,946)	400,703	427,606	428,017
D5	Comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	(248,370)	(248,370)	45,849	(18,946)	400,703	427,606	179,236
M7	Change of Ownership Interest in Subsidiaries	-	2,179	-	-	-	-	-	-	-	-	2,179
Y1	Total increase (decrease) in equity for 2024	-	(223,760)	(23,586)	80,728	(79,573)	(22,431)	45,849	(18,946)	400,703	427,606	181,415
Z1	Balance after restatement as of December 31, 2024	1,127,192	2,937	-	298,757	(248,370)	50,387	(31,126)	(32,946)	400,703	336,631	1,517,147
	Appropriation and distribution of earnings for 2024:											
B15	Special surplus reserve for offsetting deficits	-	-	-	(248,697)	248,697	-	-	-	-	-	-
D1	Loss for the year ended December 31, 2025	-	-	-	-	(292,931)	(292,931)	-	-	-	-	(292,931)
D3	Other comprehensive income for the year ended December 31, 2025	-	-	-	-	49	49	(11,824)	(34,413)	-	(46,237)	(46,188)
D5	Comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	(292,882)	(292,882)	(11,824)	(34,413)	-	(46,237)	(339,119)
E1	Follow-on offering	124,276	25,725	-	-	-	-	-	-	-	-	150,001
M7	Change of Ownership Interest in Subsidiaries	-	(2,179)	-	-	(2,193)	(2,193)	-	-	-	-	(4,372)
Y1	Total increase (decrease) in equity for 2025	124,276	23,546	-	(248,697)	(46,378)	(295,075)	(11,824)	(34,413)	-	(46,237)	(193,490)
Z1	Balance as of December 31, 2025	$ 1,251,468	$ 26,483	$ -	$ 50,060	($ 294,748)	($ 244,688)	($ 42,950)	($ 67,359)	$ 400,703	$ 290,394	$ 1,323,657

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

Chair: Shih Hao-Ji Manager: Lin Meng-Chieh Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd.

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

Unit: NT$ thousand

Account		2025	2024
	Cash flows from operating activities		
A00010	Loss before tax	($ 304,838)	($ 254,853)
	Adjustments:		
A20100	Depreciation expense	22,219	16,402
A20200	Amortization Expenses	9,864	1,504
A20300	Impairment loss (reversal) of expected credit loss	(852)	1,211
A20400	Net loss on financial assets at fair value through profit or loss	1,471	-
A20900	Finance costs	14,689	8,375
A21100	Net gain on reclassification of financial assets	-	(3,617)
A21200	Interest income	(2,764)	(584)
A22300	Share of profit or loss of subsidiaries and affiliated companies using the equity method	168,070	128,804
A22900	Loss on lease modification	-	353
A23100	Gain on disposal of subsidiaries	(27,507)	-
A23700	Impairment loss on equity method assets	26,365	39,176
A24100	Unrealized foreign currency exchange loss (gain)	(760)	2,135
A24600	Gain on Fair Value Adjustment of Investment Property	(2,319)	(21,847)
A29900	Bargain purchase gain	-	(5,998)
A20010	Total Income, Expenses, and Losses	208,476	165,914
	Changes in operating assets and liabilities		
A31150	Accounts receivable	110,483	(50,617)
A31190	Other receivables－related parties	(302)	(7,588)
A31200	Inventory	7,774	(3,349)
A31240	Other current assets	7,600	(6,594)
A32150	Notes and Accounts Payable	24,701	120,897
A32180	Other payables	(3,743)	5,678
A32230	Other current liabilities	1,511	236
A32240	Net defined benefit liabilities	(193)	(180)
A30000	Total net change in assets and liabilities related to operating activities	147,831	58,483

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Account		2025	2024
A33000	Cash generated from operations	$ 51,469	($ 30,456)
A33300	Interest paid	(14,509)	(8,375)
AAAA	Net cash inflow (outflow) from operating activities	36,960	(38,831)
	Cash flows from investing activities		
B00010	Acquisition of Financial Assets at Fair Value Through Other Comprehensive Income	(42,996)	(32,340)
B00040	Acquisition of financial assets at amortized cost	(12,000)	-
B00100	Acquisition of financial assets at fair value through profit or loss	(32,850)	-
B01800	Acquisition of long-term equity investment under the equity method	(144,299)	(226,827)
B02300	Proceeds from disposal of subsidiaries	56,494	-
B02400	Capital reduction refund from long-term equity investments accounted for using the equity method	-	19,000
B02700	Acquisition of property, plants, and equipment	(35,139)	(34,275)
B04500	Purchase of intangible assets	(9,203)	(12,960)
B06100	Decrease in lease receivables	136	-
B06700	Increase in other non-current assets	(87)	(5,324)
B07500	Interest received	532	584
BBBB	Net Cash Outflow From Investing Activities	(219,412)	(292,142)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	-	290,000
C00200	Decrease in short-term borrowing	(590,000)	-
C01600	Borrowing of long-term loans	708,000	53,400
C03100	Decrease in guarantee deposits	(343)	(1,219)
C04020	Repayment of principal of lease liabilities	(11,324)	(8,220)
C04600	Follow-on offering	150,001	-
CCCC	Net cash flows from financing activities	256,334	333,961
EEEE	Net increase in cash and cash equivalents for the period	73,882	2,988
E00100	Cash and cash equivalents at beginning of period	40,159	37,171
E00200	Cash and cash equivalents at end of period	$ 114,041	$ 40,159

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

Chair: Shih Hao-Ji Manager: Lin Meng-Chieh Accounting supervisor: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd.

Notes to Parent Company Only Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in thousands of New Taiwan Dollars unless otherwise specified)

1. Organization and operations

Ji-Haw Industrial, Co., Ltd., (the "Company") was incorporated on January 11, 1983. The major business activities of the Company are the sale and manufacturing of precision electric ports and sockets, connectors, electric wires and cables, electronics components, and other industrial and commercial services. The Company's common shares were listed on the Taiwan Stock Exchange (TWSE) in July 2002.

The financial statements are presented in the Company's functional currency, the New Taiwan dollars.

2. Financial Statement Approval Date and Procedures

These financial statements were authorized for issue by the Board of Directors on March 3, 2026.

3. New standards, amendments, and interpretations adopted

(1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

(2) IFRSs approved by the Financial Supervisory Commission (FSC) applicable for the year 2026

New IFRSs	Effective Date Announced by the International Accounting Standards Board (IASB)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial	January 1, 2026

Instruments"	
Amendments to IFRS 9 and IFRS 7 "Contracts for nature-dependent electricity"	January 1, 2026
"Annual Improvements to IFRS Accounting Standards — Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 Amendments)	January 1, 2026

As of the approval date of these parent company only financial statements, the Company has assessed that the above amendments to standards and interpretations will not have a material impact on its parent company only financial position or financial performance.

(3) IFRSs issued by the IASB that have been published but have not yet been approved and made effective by the Financial Supervisory Commission (FSC)

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

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

Note 2: The Financial Supervisory Commission announced on September 25, 2025 that companies in Taiwan shall apply IFRS 18 from January 1,

2028, and may elect early adoption upon approval of IFRS 18 by the Financial Supervisory Commission.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements." The main changes under this standard include:

- The Company shall assess whether it has specific main business activities involving investing in particular types of assets and providing financing to customers, and accordingly classify income and expense items in the statement of profit or loss into operating, investing, financing, income taxes, and discontinued operations categories.

- The statement of profit or loss shall classify income and expense items into operating, investing, financing, income tax, and discontinued operations categories.
- The statement of profit or loss shall present subtotals and totals for operating profit or loss, profit or loss before financing and income taxes, and total profit or loss.
- Guidance is provided to enhance the requirements for aggregation and disaggregation: the Company is required to identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and to classify and aggregate them based on shared characteristics, such that each line item presented in the primary financial statements reflects at least one common characteristic. Items with dissimilar characteristics shall be disaggregated in the primary financial statements and the notes. The Company will label such items as “other” only when no more informative label can be identified.
- Enhanced disclosure of management-defined performance measures: When the Company engages in public communications outside of the financial statements, and conveys management’s perspective on an aspect of the Company’s overall financial performance to users of the financial statements, it shall disclose, in a single note to the financial statements, relevant information regarding the management-defined performance measure. This includes a description of the measure, how it is calculated, a reconciliation to the subtotals or totals specified by IFRS Standards, and the effects of income tax and non-controlling interests on the related reconciling items.

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

- When the Company prepares cash flows from operating activities using the indirect method, it shall use operating profit or loss as the starting point for reconciliation.
- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing

activities. If, upon assessment, the Company determines that it has specific main business activities, it shall consider the classification of dividend income, interest income, and interest expense presented in the statement of profit or loss in determining the classification of dividends received, interest received, and interest paid in the statement of cash flows. However, each of the aforementioned cash flows shall be classified into only one category of activities in the statement of cash flows.

Aside from the impacts mentioned above, as of the approval date of these standalone financial statements, the Company is still assessing the effects of the amendments to various standards and interpretations on its parent company financial position and performance. The relevant impacts will be disclosed once the assessment is complete.

4. Summary of significant accounting policies

(1) Statement of compliance

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

(2) Basis of preparation

Except for financial instruments measured at fair value, investment property, and net defined benefit liabilities recognized based on the present value of defined benefit obligations less the fair value of plan assets, these standalone financial statements have been prepared on a historical cost basis.

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

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

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

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

The subsidiaries and affiliates are incorporated in the Parent Company Only financial statements under the equity method. In order to align the current period profit or loss, other comprehensive income, and equity reported in these Parent Company Only financial statements with the profit or loss, other comprehensive income, and equity attributable to owners of the Company as presented in the consolidated financial statements, certain accounting differences between the Parent Company Only basis and consolidated basis have been adjusted under "Investments accounted for using the equity method," "Share of profit or loss of subsidiaries and associates accounted for using the equity method," "Share of other comprehensive income of subsidiaries and associates accounted for using the equity method," and the related equity items.

(3) Classification of current and noncurrent assets and liabilities

Current assets include:

A. Assets held primarily for the purpose of trading;

B. Assets expected to be realized within twelve months after the reporting period; and

C. Cash unless the asset is restricted from being used for an exchange or used to settle a liability for more than twelve months after the reporting period.

Current liabilities include:

A. Liabilities held primarily for the purpose of trading;

B. Liabilities expected to be settled within twelve months after the reporting period even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

C. Liabilities for which, as of the balance sheet date, there is no substantive right to defer settlement for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as abovementioned are classified as noncurrent.

(4) Foreign currencies

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

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

Foreign currency non-monetary items measured at fair value are translated at the exchange rates prevailing on the date fair value was determined. The resulting exchange differences are recognized in profit or loss for the period, except for those recognized directly in other comprehensive income, in which case the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are recognized at the rates of exchange prevailing at the dates of the transactions and are not retranslated.

For the purpose of presenting Parent Company Only Financial Statements, the assets and liabilities of foreign operations are translated into the presentation currency - New Taiwan dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

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

(5) Inventories

Inventories are finished goods and are measured at the lower of cost and net realizable value. When comparing cost and net realizable value, the assessment is made on an item-by-item basis, except for inventories within the same category. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost.

(6) Subsidiary

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

A subsidiary is an entity that is controlled by the Company.

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

Changes in the Company’s ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company’s share of loss in a subsidiary equals or exceeds its interest in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are substantially part of the Company’s net investment in the subsidiary), the loss continues to be recognized in proportion to the Company’s ownership.

The excess of the acquisition cost over the Company’s share of the net fair value of the identifiable assets and liabilities of a business-acquired subsidiary as of the acquisition date is recognized as goodwill, which is included in the carrying amount of the investment and is not amortized. If the Company’s share of the net fair value of the identifiable assets and liabilities of a business-acquired subsidiary as of the acquisition date exceeds the acquisition cost, the excess is recognized as current-period income.

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

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

Unrealized profits or losses on downstream transactions with subsidiaries are eliminated in the standalone financial statements. Profits and losses on upstream and side stream transactions with subsidiaries are recognized in Parent Company Only Financial Statements only to the extent of interests in the subsidiary that are not related to the Company.

(7) Investment in associates

An associate is an entity over which the Company and its subsidiaries have significant influence and that is not a subsidiary.

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

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the proportionate share of equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Company and its subsidiaries' share of equity of associates. If the Group's ownership interest is reduced due to non-subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be a deduction to capital surplus, but the capital surplus recognized from investments accounted for using equity method is insufficient, the shortage is deducted from retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

When impairment loss is evaluated, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any assets, including goodwill, that compose the carrying amount. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

The Company discontinues the use of the equity method from the date its investment ceases to be an associate. The retained interest in the former associate is measured at fair value, and the difference between such fair value (including any consideration received) and the carrying amount of the investment on the date the equity method is discontinued is recognized in profit or loss for the period. In addition, all amounts previously recognized in other comprehensive income that are related to the affiliate are accounted for on the same basis as would be required if the affiliate had directly disposed of the related assets or liabilities.

When the Company transacts with its associates (upstream, downstream, and side stream), profits and losses on these transactions are recognized in the standalone financial statements only to the extent of interests in the associate that are not related to the Company.

(8) Property, plants, and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Properties in the course of construction are carried at cost, less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use and depreciated accordingly.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Except for owned land, which is not depreciated, the difference between the net disposal proceeds and the carrying amount of other property, plant, and equipment upon derecognition is recognized in profit or loss.

(9) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment property also includes land held for currently undetermined future use.

Self-owned investment property is initially measured at cost (including transaction cost).

Investment property is reclassified to property, plant, and equipment at its fair value on the date it begins to be owner-occupied.

When the property, plant and equipment is transferred to investment property after own use, the difference between the original book value and fair value is recognized in other comprehensive income and accumulated in equity under the revaluation increase in equity, and then derecognized from the asset is transferred directly to retained earnings.

(10) Intangible assets

A. Acquired separately

Separately acquired intangible assets with finite useful lives are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives. The Company reviews the estimated useful lives, residual values, and amortization methods at least at the end of each financial year, and applies the effects of any changes in accounting estimates prospectively.

B. Derecognition

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

(11) Impairment of property, plant and equipment, right-of-use assets, and intangible assets

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets, and intangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

(12) Financial instruments

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

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities not at fair value through profit or loss are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

A. Financial assets

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

(A) Measurement category

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

a. Financial Assets at Fair Value Through Profit or Loss

Financial asset at FVTPL is measured at FVTPL. Financial assets mandatorily measured at fair value through profit or loss include equity instrument investments that are not designated to be measured at fair value through other comprehensive income, and debt instrument investments that do not meet the criteria for classification as measured at amortized cost or at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value. Dividends and interest income derived from such assets are recognized under other income and interest income, respectively, while gains or losses arising from remeasurement are recognized under other gains and losses.

b. Financial assets at amortized cost

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

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

(b) 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.

Financial assets measured at amortized cost (including cash, accounts receivable measured at amortized cost, other receivables, and refundable deposits) are, after initial recognition, measured at amortized cost using the effective interest method, which is the gross carrying amount less any impairment losses. Any foreign exchange gains or losses are recognized in profit or loss.

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

(a) The interest revenue of purchased or originated credit-impaired financial assets shall be calculated by applying the effective interest rate to the amortized cost of a financial asset.

(b) For those financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. The interest revenue shall be calculated by applying the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets become credit-impaired when the following events occur: the significant financial difficulty of the issuer or the borrower; a breach of contract; it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for that financial asset because of financial difficulties.

c. Investments in equity instruments at FVTOCI

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

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

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

(B) Impairment of financial assets

At the end of each reporting period, the Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit loss (ECL) for accounts receivable. For other financial assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

For internal risk management purpose, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

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

b. When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account,

(C) Derecognition of financial assets

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

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

B. Equity instruments

Debt and equity instruments issued by the Company are classified into financial liabilities or equity depending on the terms of the underlying contract and the definitions of financial liability and equity used.

Equity instruments issued by the Company are recognized at the amount of proceeds received net of direct issuing costs.

The repurchase of the Company's own equity instruments is recognized and deducted under equity. The carrying amount is calculated using the weighted average cost by class of shares. Purchases, sales, issuances, or cancellations of the Company's own equity instruments are not recognized in profit or loss.

C. Financial liabilities

(A) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

(B) Derecognition of financial liabilities

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

(13) Revenue recognition

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

<u>Revenue from sale of goods</u>

Revenue comes from the sale of various electronic components. Sales revenue is recognized when the customer obtains the control of good, i.e. when the good is delivered to the buyer, the buyer has discretion in establishing the sales price and channel for the specified good and there is no unsatisfied performance obligation of the Company that may impact the recognition of revenue and accounts receivable at the customer’s acceptance. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the Group has objective evidence that all criteria for acceptance have been satisfied.

(14) Leases

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

A. The Company as lessor

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

The sublease shall be classified by reference to the right-of-use asset rather than by reference to the underlying asset. If the head lease is a short-term lease that the entity has accounted for applying a recognition exemption, the sublease shall be classified as an operating lease.

Lease payments of a finance lease include fixed payments. The net investment in the lease is measured as the sum of the present value of lease payments receivable and the unguaranteed residual value, plus any initial direct costs, and is presented as finance lease receivables. Finance income is allocated into various accounting periods in a way that reflects a constant periodic rate of return on outstanding net investment that the Company is able to generate in the respective periods.

Under an operating lease, lease payment after the deduction of lease incentives is recognized as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Company. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated
reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

B. Where the Company is a lessee

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

Right-of-use assets are initially measured at cost, which includes the initial measurement amount of the lease liability. Subsequently, they are measured at cost less accumulated depreciation and accumulated impairment losses, and are adjusted for any remeasurement of the lease liability.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If changes in the lease term or lease payments result in a modification of future lease payments, the Company remeasures the lease liability and correspondingly adjusts the right-of-use asset. However, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. lease liabilities are presented on a separate line in the standalone balance sheets.

(15) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets until substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

For specific borrowings, any investment income earned on the temporary investment of those borrowings before the qualifying capital expenditures are made is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized as expenses in the period in which they are incurred.

(16) Employee benefits

A. Short-term employee benefits

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

B. Retirement benefits

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

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

The net defined benefit (asset) liability represents the deficit (surplus) of the defined benefit plan. The net defined benefit asset shall not exceed the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

(17) Taxation

Income tax expenses represent the sum of the tax currently payable and deferred tax.

A. Current tax

The Company determines current income (loss) in accordance with the Income Tax Act of the Republic of China, which serves as the basis for calculating income tax payable (recoverable).

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

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

B. Deferred tax

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

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and tax loss carryforwards can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deductible temporary differences relating to these investments are recognized as deferred income tax assets only to the extent that sufficient taxable income can be earned to realize the temporary differences, and that reversal is expected in the foreseeable future.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. If investment property measured at fair value is a non-depreciable asset, the Company assumes recovery of the asset's carrying amount through sale.

C. Current and deferred tax

Current and deferred income taxes are recognized in profit or loss, except for those related to items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity, respectively.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

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

The accounting policies, estimates, and underlying assumptions adopted by the Company have been assessed by management, and no significant accounting judgments, estimates, or assumption uncertainties have been identified.

6. Cash

	December 31, 2025	December 31, 2024
Cash on hand	$ 91	$ 528
Checking accounts and demand deposits	113,950	39,631
	$ 114,041	$ 40,159

7. Financial instruments at fair value through profit or loss

	December 31, 2025
Financial assets – non-current	
Financial assets mandatorily classified as at FVTPL	
Non-derivative financial assets	
- Foreign convertible notes	$ 31,379

8. Investments in equity instruments at FVTOCI

	December 31, 2025	December 31, 2024
Non-current		
Domestic investments		
Unlisted (OTC) stocks		
Common shares of Ennovision INC.	$ 37,980	$ -
Common shares of CERMAX CO., LTD.	23,779	15,063
Common shares of SKYMIZER TAIWAN INC.	21,855	32,614
Common shares of Silicon Test Tech. Corp.	4,802	-
	$ 88,416	$ 47,677

The Company has invested in the common shares of Skymizer Taiwan Inc., Cermax Co., Ltd., Ennovision INC., Soyo Link Energy Co., Ltd., Li Wang Technology Co., Ltd., and S Square System Ltd. for medium- to long-term strategic purposes, and expects to generate profits through long-term investment. The management elected to designate these investments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

The Group is unable to recover the investment costs as Soyo Link Energy Co., Ltd., and Li Wang Technology Co., Ltd., have discontinued their operation and S SQUARE SYSTEM LTD., has been incurring losses for several years. Their fair value was assessed to be zero.

9. Financial assets at amortized cost

	December 31, 2025
Non-current	
Pledged certificates of deposit	$ 12,000

As of December 31, 2025, the market interest rate for time deposits with original maturities of more than three months was 0.68% per annum.

For information on the pledging of financial assets measured at amortized cost, please refer to Note 28.

10. Accounts receivable

	December 31, 2025	December 31, 2024
Accounts receivable		
Measured at amortized cost		
Gross carrying amount	$ 142,718	$ 250,221
Less: allowance	(397)	(1,249)
	$ 142,321	$ 248,972

The average credit period on sales of goods is 30-150 days with no interest. The rating of major customers is given by using public financial information that is readily available and historical transaction records. The Company's credit exposures and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the management annually.

In order to reduce the credit risk, the Company assigns a team responsible for the determination and approval of credit limits and takes other monitoring measures to ensure that proper actions have been taken to recover the overdue accounts receivable. Additionally, the Company reviews the recoverable amount of receivables one by one on the balance sheet date to ensure that proper allowances are recognized for unrecoverable receivables. Accordingly, the management of the Company believes that the Company's credit risk has been significantly reduced.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated considering the past default experience of the debtor and the debtor's current financial position. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

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

The following table details the loss allowance of trade receivables:

December 31, 2025

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.02%	1.45%	0.00%	0.00%	100.00%	
Gross carrying amount	$ 141,400	$ 968	$ -	$ -	$ 350	$ 142,718
Loss allowance (lifetime ECL)	(33)	(14)	-	-	(350)	(397)
Amortized cost	$ 141,367	$ 954	$ -	$ -	$ -	$ 142,321

December 31, 2024

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.04%	3.73%	18.85%	-	100.00%	
Gross carrying amount	$ 232,950	$ 15,819	$ 1,093	$ -	$ 359	$ 250,221
Loss allowance (lifetime ECL)	(94)	(590)	(206)	-	(359)	(1,249)
Amortized cost	$ 232,856	$ 15,229	$ 887	$ -	$ -	$ 248,972

The movements of the loss allowance of trade receivables were as follows:

	2025	2024
Balance, beginning of year	$ 1,249	$ 38
Add: Impairment loss recognized for the current year	-	1,211
Less: Reversal	(852)	-
Balance, end of year	$ 397	$ 1,249

11. Inventories

	December 31, 2025	December 31, 2024
Finished goods	$ 50,056	$ 63,578
Raw materials	5,748	-
	$ 55,804	$ 63,578

Cost of goods sold related to inventories includes inventory losses recognized from writing down inventory costs to net realizable value during the reporting period, as well as inventory recovery gains recognized due to increases in net realizable value. The amounts are listed as follows:

	2025	2024
Write-down (reversal) of inventories	$ 548	($ 3,930)

The recovery of the net realizable value of inventories was mainly attributable to an increase in market selling prices of inventories.

12. Investments accounted for using equity method

	December 31, 2025	December 31, 2024
Subsidiary	$ 1,031,584	$ 1,159,059

(1) Subsidiary

	December 31, 2025	December 31, 2024
J.B.T Industrial Co., Ltd. (J.B.T)	$ 531,621	$ 582,069
Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	251,025	284,493
JHK Artificial Intelligence (Kunshan) Co., Ltd. (J.H.K)	73,426	80,689
Ji-Haw Investment Co., Ltd. (J.H.I.)	4,620	4,822
JI-HAW TECHNOLOGY VN CO., LTD (hereinafter referred to as J.H.V)	2,224	2,626
CHINTEK INC. (CHINTEK)	64,195	71,112
Emergence A.I CO., LTD. (Emergence A.I)	4,091	4,998
Heph A.I studios Technology CO., LTD. (Heph A.I studios Technology)	15,732	33,072
SILICON TEST TECH. CORP. (SILICON TEST TECH)	-	36,406
Jin-Zuan Semiconductor Investment Co., Ltd. (Jin-Zuan Semiconductor Investment)	84,650	58,772
	$ 1,031,584	$ 1,159,059

The proportion of the Company's ownership in the equity and voting rights of subsidiaries on the balance sheet date was as follows:

	December 31, 2025	December 31, 2024
J.B.T (Note 6)	100.00%	100.00%
J.H.P (Note 1)	40.48%	40.48%
J.H.K	100.00%	100.00%
J.H.I	100.00%	100.00%
J.H.V	100.00%	100.00%
CHINTEK (Note 7)	100.00%	100.00%
Emergence A.I (Note 2)	80.00%	66.67%
Heph A.I studios Technology (Note 3)	100.00%	100.00%
Silicon Test Tech Corp (Note 4)	-	68.93%
Jin-Juan Semiconductor Investment (Note 5)	84.16%	53.22%

Note 1: 40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.

Note 2: Emergence A.I completed its establishment registration on February 23, 2024, in response to market demand. An additional investment of NT$10,000 thousand was made on February 27, 2025, increasing the equity interest to 80.00%. Please refer to Note 30 to the Company's 2025 consolidated financial statements.

Note 3: In response to market demand, Heph A.I studios Technology completed its incorporation and registration on March 4, 2024. In addition, an investment of NT$15 million was made on September 1, 2025.

Note 4: Due to market demand, the Company acquired a 51.03% equity interest in Silicon Test Tech for NT$39,000 thousand in cash on March 25, 2024. Please refer to Note 28 of the Company's 2025 consolidated financial statements. An additional investment of NT$15,000 thousand was made on October 8, 2024, increasing the Company's equity interest to 68.93%. Please refer to Note 30 of the Company's 2025 consolidated financial statements. On May 14, 2025, the Company disposed of 64.11% of its equity, resulting in the loss of control over the company. The remaining 4.82% interest was reclassified as an equity instrument investment measured at fair value through other comprehensive income. Please refer to Note 29 to the Company's 2025 consolidated financial statements.

Note 5: For changes in the Company's shareholding resulting from the acquisition of Jin-Zuan Semiconductor Investment, please refer to (2) Investments in Associates and Note 28 of the Company's consolidated financial statements. In addition, the Company made additional cash investments of NT$6,000 thousand and NT$30,000 thousand on July 1 and December 9, 2025, respectively, and acquired equity in the company for NT$22,805 thousand on November 14, 2025, increasing its shareholding to 84.16%. Please refer to Note 30 of the Company's consolidated financial statement.

Note 6: The Company made an additional cash investment of NT$15,494 thousand on November 14, 2025.

Note 7: The Company made additional cash investments of NT$15,000 thousand

and NT$30,000 thousand on November 14, 2025 and December 16, 2025, respectively.

(2) Investment in associates

The Company established Jin-Juan Semiconductor with a cash investment of NT$40,000 thousand on March 8, 2024. On March 28, 2024, the investee conducted a cash capital increase of NT$125,000 thousand, in which the Company did not participate, resulting in the loss of control. Therefore, the investee is classified as an individually immaterial associate. The company conducted a capital reduction and returned capital of NT$78,375 thousand on May 15, 2024, of which the Company received NT$19,000 thousand. The Company acquired 13.39% and 15.59% equity interests in the company for NT$21,066 thousand and NT$21,762 thousand in cash on August 28, 2024 and November 15, 2024, respectively, resulting in a total equity interest of 53.22% and thereby making the company a subsidiary of the Company. This acquisition resulted in a total bargain purchase gain of NT$5,998 thousand. Please refer to (1) Investments in Subsidiaries.

CERMAX conducted a cash capital increase on October 6, 2024, in which the Company did not participate, resulting in a loss of significant influence. The remaining 18.81% equity interest held by the consolidated entity was remeasured at its fair value of NT$19,700 thousand on that date and reclassified as a financial asset measured at fair value through other comprehensive income. As a result, the Company recognized a net gain from the reclassification of financial assets in the amount of NT$3,617 thousand.

Financial information about the Company's associates was as follows:

	2024
The Company's share	
Net loss for the year	$ 695
Other comprehensive income	8,800
	$ 9,495

13. Property, plants, and equipment

	Land	Buildings	Machinery and equipment	Transportation Equipment	Other equipment	Leasehold improvements	Construction in progress	Total
Cost								
Balance as of January 1, 2025	$ 114,717	$ 13,958	$ 44,722	$ 3,910	$ 3,743	$ 10,418	$ 29,407	$ 220,875
Additions	-	-	-	-	-	-	35,139	35,139
Disposals	-	-	(1,119)	(690)	(456)	-	-	(2,265)
Reclassified	-	-	-	-	-	7,763	(5,336)	2,427
Balance as of December 31, 2025	$ 114,717	$ 13,958	$ 43,603	$ 3,220	$ 3,287	$ 18,181	$ 59,210	$ 256,176
Accumulated Depreciation								
Balance as of January 1, 2025	$ -	$ 11,935	$ 27,723	$ 3,485	$ 1,787	$ 2,874	$ -	$ 47,804
Depreciation expense	-	662	3,910	268	560	6,102	-	11,502
Disposals	-	-	(1,119)	(690)	(456)	-	-	(2,265)
Balance as of December 31, 2025	$ -	$ 12,597	$ 30,514	$ 3,063	$ 1,891	$ 8,976	$ -	$ 57,041
Carrying amount at December 31, 2025	$ 114,717	$ 1,361	$ 13,089	$ 157	$ 1,396	$ 9,205	$ 59,210	$ 199,135
Cost								
Balance on January 1, 2024	$ 184,300	$ 13,958	$ 33,818	$ 3,910	$ 2,558	$ -	$ -	$ 238,544
Additions	77	-	12,550	-	1,768	10,418	9,462	34,275
Disposals	-	-	(1,646)	-	(583)	-	-	(2,229)
Reclassified	-	-	-	-	-	-	19,945	19,945
Reclassified as investment property	(69,660)	-	-	-	-	-	-	(69,660)
Balance on December 31, 2024	$ 114,717	$ 13,958	$ 44,722	$ 3,910	$ 3,743	$ 10,418	$ 29,407	$ 220,875
Accumulated Depreciation								
Balance on January 1, 2024	$ -	$ 11,272	$ 26,138	$ 3,031	$ 1,835	$ -	$ -	$ 42,276
Depreciation expense	-	663	3,231	454	535	2,874	-	7,757
Disposals	-	-	(1,646)	-	(583)	-	-	(2,229)
Balance on December 31, 2024	$ -	$ 11,935	$ 27,723	$ 3,485	$ 1,787	$ 2,874	$ -	$ 47,804
Carrying amount at December 31, 2024	$ 114,717	$ 2,023	$ 16,999	$ 425	$ 1,956	$ 7,544	$ 29,407	$ 173,071

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

Buildings	10-24 years
Machinery and equipment	6-8 years
Transportation Equipment	5 years
Other equipment	2-5 years
Leasehold improvements	2-3 years

Depreciation is calculated over the estimated useful lives of 10 to 24 years for each material component of buildings which includes the main building, electrical and mechanical construction, and improvements.

Please refer to Note 28 for the amount of property, plants, and equipment pledged for borrowing.

14. Lease agreement

(1) Right-of-use assets

	December 31, 2025	December 31, 2024
Carrying amounts		
Buildings	$ 7,050	$ 15,542
Transportation Equipment	2,796	5,021
	$ 9,846	$ 20,563

	2025	2024
Additions to right-of-use assets	$ 5,793	$ 11,724
Depreciation charge for right-of-use assets		
Buildings	$ 8,492	$ 6,842
Transportation Equipment	2,225	1,803
	$ 10,717	$ 8,645
Revenue from sublease of right-of-use assets (recognized as other income)	($ 7,266)	($ 6,404)

(2) Lease liabilities

	December 31, 2025	December 31, 2024
Carrying amount		
Current	$ 11,250	$ 11,189
Non-current	$ 4,893	$ 10,485

Range of discount rates for lease liabilities was as follows:

	December 31, 2025	December 31, 2024
Buildings	2.00%～3.60%	2.00%～3.07%
Transportation Equipment	2.10%～3.52%	2.10%～3.52%

(3) Other lease information

	December 31, 2025	December 31, 2024
Total cash outflow for leases	($ 11,782)	($ 8,697)

15. Investment properties

Investment property measured at fair value

	Land and buildings
Balance as of January 1, 2025	$ 841,347
Gain on fair value change	2,319
Balance as of December 31, 2025	$ 843,666
Balance on January 1, 2024	$ 512,182
From property, plant and equipment	69,660
Gain on fair value change	21,847
Revaluation surplus of property	237,658
Balance on December 31, 2024	$ 841,347

Investment property is measured at fair value on a recurring basis. The valuation basis of its fair value is as follows:

	December 31, 2025	December 31, 2024
Outsourced appraisal	$ 843,666	$ 841,347

The Company measures the following investment properties subsequently using the income approach based on the discounted cash flow analysis method. The key contractual terms and valuation information are as follows:

December 31, 2025

Target	New Taipei City Xindian District Office
Important contract terms	-
Local rent prices	NTD 637 - NTD 849 NTD/ping/month
Rent prices of similar properties	Same as above
Current status	Normal use
Discount rate	3.770%
Outsourced or self-assessed valuation	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Ming-Hang Tsai, Che-Hao Yang
Date of Valuation	December 31, 2025
Fair value of outsourced appraisal	NT$532,717 thousand

December 31, 2024

Target	New Taipei City Xindian District Office
Important contract terms	1. Rent: 184 thousand/month 2. Remaining lease term: 6 months
Local rent prices	NTD 526 - NTD 841 NTD/ping/month
Rent prices of similar properties	Same as above
Current status	Normal use
Discount rate	3.770%
Outsourced or self-assessed valuation	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Ming-Hang Tsai, Che-Hao Yang
Date of Valuation	December 31, 2024
Fair value of outsourced appraisal	NT$534,029 thousand

The valuation procedure of the income approach is to estimate the effective total revenue, estimate the total expenses, calculate the net income, determine the discount rate and calculate the income price. The above parameters are estimated based on the relevant information of the subject of evaluation and the comparison target with the same or similar characteristics in the last three years, and adjusted after judging their continuity, stability and growth, in order to confirm the availability and reasonableness of the information. Changes in revenues (cash inflows) and expenses (cash outflows) for future periods are based on the historical revenues and expenses (cash flows) of the subject of the survey, the revenues and expenses (cash flows) of comparable industry or alternative comparable, the rate of idleness or loss, and the current or probable future planned revenues and expenses. The objective net income after deducting the total expenses from the total revenue is based on the objective net income that can make the most effective use of the subject matter survey, and is extrapolated by referring to the income of the neighboring similar property under the most effective use.

Except for undeveloped land, the fair value of investment property is assessed using the income approach. The key assumptions are as follows. When the estimated capitalization rate or discount rate decreases (increases), the fair value will increase (decrease).

	2025	2024
Discount rate	3.770%	3.770%
Income capitalization	1.80%	1.73%

The discounted cash flow (DCF) analysis under the income approach is used as the valuation method. During the lease term, the valuation is based on the contractual rent provided by the Company; after the lease term expires, the valuation is based on market rent. Discounted cash flow analysis under income approach: It refers to the method in which the net income and ending value of each period during the future discounted cash flow analysis period of the subject of survey are discounted at an appropriate discount rate and then summed up to estimate the price of the subject of survey. Applicable to real estate investment evaluation for investment purpose.

The Company measures the following investment properties subsequently using the land development analysis method. The key contractual terms and valuation information are as follows:

December 31, 2025

Target	Land in Baoxing Section, Xindian District, New Taipei City
Estimated Total Sales Amount	$774,316 thousand
Current status	Normal use
Profit Margin	18.00%
Comprehensive Capital Interest Rate	2.74%
Outsourced or self-assessed valuation	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Ming-Hang Tsai, Che-Hao Yang
Date of Valuation	September 30, 2025 (Note)
Fair value of outsourced appraisal	$310,949 thousand

Note: A valuer's statement on the validity of the original valuation report as of December 31, 2025, has been obtained.

December 31, 2024

Target	Land in Baoxing Section, Xindian District, New Taipei City
Estimated Total Sales Amount	NT$749,848 thousand
Current status	Normal use
Profit Margin	18.00%
Comprehensive Capital Interest Rate	2.77%
Outsourced or self-assessed valuation	Outsourced appraisal
Appraisal firm	Zhan-Mao Real Estate Appraisers Firm
Name of appraiser	Tsai Ming-Hang
Date of Valuation	September 30, 2024 (Note)
Fair value of outsourced appraisal	NT$307,318 thousand

Note: A valuer's statement on the validity of the original valuation report as of December 31, 2024, has been obtained.

The Company's land located in Baoxing Section, Xindian District, New Taipei City, is currently used as a temporary parking lot. As the land is undeveloped and there is no existing lease agreement, and due to the limited number of comparable lease transactions for industrial land in the area, its fair value is assessed using the land development analysis method. When the estimated total sales amount increases (decreases), the profit margin decreases (increases), or the comprehensive capital interest rate decreases (increases), the fair value will increase (decrease).

Based on the legally designated use and development intensity of the land, changes in land value resulting from development and improvement are assessed. The estimated total sales amount after development or construction is calculated, from which direct costs, indirect costs, capital interest, and profit during the development period are deducted. The resulting amount represents the land development analysis value prior to development or construction, which is referred to as the land development analysis price. The procedures for land development analysis valuation are as follows:

(A) Determine the land development plan and expected development timeline.

(B) Investigate various costs and related expenses, and collect market data.

(C) Conduct an on-site inspection and assess the level of environmental development.

(D) Estimate the area of land or buildings to be sold after development or construction.

(E) Estimate the total sales amount after development or construction.

(F) Estimate various costs and related expenses.

(G) Select an appropriate profit margin and comprehensive capital interest rate.

(H) Calculate the land development analysis value.

The forecast for the overall economic situation is as follows:

(A) Taiwan’s export products have been influenced by the rise of artificial intelligence opportunities, with information and communication technology (ICT) and audiovisual products maintaining strong performance. Traditional manufacturing sectors have benefited from restocking demand and an increase in orders.

(B) On the production side, the momentum of information and electronics manufacturing remains robust. The growing demand for high-performance computing, AI applications, and cloud data services has driven wafer foundry production. However, due to the sluggish recovery of the global economy, end-user demand in traditional industries has yet to show a significant rebound.

The investment properties are currently leased out in the form of operating leases, and the rental incomes generated are as follows:

	2025	2024
Rental income	$ 597	$ 6,193

Lease payments receivable under operating leases of investment properties in the future was as follows:

	December 31, 2025	December 31, 2024
Year 1	$ -	$ 1,103

Please refer to Note 28 for the amount of investment property pledged for borrowing.

16. Intangible assets

	Software licensing	Technology licensing	Computer Software	Trademark rights	Franchise rights	Total
Cost						
Balance as of January 1, 2025	$ 20,492	$ 939	$ -	$ 981	$ -	$ 22,412
Acquired separately	1,329	-	746	315	6,813	9,203
Reclassified	1,311	-	1,260	620	-	3,191
Balance as of December 31, 2025	$ 23,132	$ 939	$ 2,006	$ 1,916	$ 6,813	$ 34,806
Accumulated Amortization						
Balance as of January 1, 2025	$ 1,467	$ 94	$ -	$ 14	$ -	$ 1,575
Amortization Expenses	8,705	94	441	170	454	9,864
Balance as of December 31, 2025	$ 10,172	$ 188	$ 441	$ 184	$ 454	$ 11,439
Carrying amount at December 31, 2025	$ 12,960	$ 751	$ 1,565	$ 1,732	$ 6,359	$ 23,367
Cost						
Balance on January 1, 2024	$ 8,513	$ 939	$ -	$ -	$ -	$ 9,452
Acquired separately	11,979	-	-	981	-	12,960
Balance on December 31, 2024	$ 20,492	$ 939	$ -	$ 981	$ -	$ 22,412
Accumulated Amortization						
Balance on January 1, 2024	$ 71	$ -	$ -	$ -	$ -	$ 71
Amortization Expenses	1,396	94	-	14	-	1,504
Balance on December 31, 2024	$ 1,467	$ 94	$ -	$ 14	$ -	$ 1,575
Carrying amount at December 31, 2024	$ 19,025	$ 845	$ -	$ 967	$ -	$ 20,837

Amortization expenses are provided on a straight-line basis over useful years shown as follows:

Software licensing	2-10 years
Technology licensing	10 years
Computer Software	3 years
Trademark rights	10 years
Franchise rights	5 years

Summary of amortization expenses by function:

	2025	2024
Operating costs	$ 945	$ 945
Operating expenses	8,919	559
	$ 9,864	$ 1,504

17. Loans

(1) Short-term borrowings

	December 31, 2025	December 31, 2024
Secured borrowing (Note 28)		
Bank borrowing	$ -	$ 590,000

The interest rates for bank loans were 2.63% per annum as of December 31, 2024.

(2) Long-term borrowings

	December 31, 2025	December 31, 2024
Secured borrowing (Note 28)		
Bank borrowing	$ 761,400	$ 53,400
Less: portion due within 1 year	(53,400)	-
Long-term borrowings	$ 708,000	$ 53,400

The Company obtained newly drawn bank borrowings of NT$708,000 thousand in 2025 secured by its own land and buildings.

The Company obtained new bank borrowings in the amount of NT$53,400 thousand in 2024, secured by its own land as collateral.

As of December 31, 2025 and 2024, the effective annual interest rates ranged from 2.93% to 3.38% and 3.28% to 3.38%, respectively.

18. Other payables

	December 31, 2025	December 31, 2024
Salaries and bonuses payable	$ 10,094	$ 10,356
Payables for expenses	5,180	6,718
Other payables – related parties (Note 27)	-	1,763
	$ 15,274	$ 18,837

19. Post-retirement benefit plan

(1) Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

(2) Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 5.8% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor. The Company has no right to influence the investment policy and strategy.

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

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	$ 1,754	$ 1,694
Fair value of plan assets	(1,816)	(1,502)
Net defined benefit (asset) liability	($ 62)	$ 192

Movements in net defined benefit (asset) liability were as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset) liability
Balance on January 1, 2024	$ 1,935	($ 1,049)	$ 886
Net interest expense	23	-	23
Expected return on plan assets	-	(14)	(14)
Recognized in profit or loss	23	(14)	9
Remeasurement			
Actuarial profit or loss - changes in assumptions	(3)	(250)	(253)
Actuarial profit or loss - changes in experience	(261)	-	(261)
Recognized in other comprehensive income or loss	(264)	(250)	(514)
Contributions from the employer	-	(189)	(189)
Balance on December 31, 2024	$ 1,694	($ 1,502)	$ 192
Balance as of January 1, 2025	$ 1,694	($ 1,502)	$ 192
Net interest expense	21	-	21
Expected return on plan assets	-	(20)	(20)
Recognized in profit or loss	21	(20)	1
Remeasurement			
Actuarial profit or loss - changes in assumptions	2	(100)	(98)
Actuarial profit or loss - changes in experience	37	-	37
Recognized in other comprehensive income or loss	39	(100)	(61)
Contributions from the employer	-	(194)	(194)
Balance as of December 31, 2025	$ 1,754	($ 1,816)	($ 62)

An analysis by function of the amounts recognized in profit or loss in respect to the defined benefit plans is as follows:

	2025	2024
Operating expenses	$ 1	$ 9

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

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

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

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

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

	December 31, 2025	December 31, 2024
Discount rate	1.2740%	1.2407%
Expected return on plan assets	1.2740%	1.2407%
Expected rate of salary increase	0.5000%	0.5000%

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

	December 31, 2025	December 31, 2024
Discount rate		
0.25% increase	($ 40)	($ 43)
0.25% decrease	$ 41	$ 44
Expected rate of salary increase		
0.25% increase	$ 41	$ 44
0.25% decrease	($ 40)	($ 42)
Expected return on plan assets		
0.25% increase	$ -	$ -
0.25% decrease	$ -	$ -

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

	December 31, 2025	December 31, 2024
The expected contributions to the plan for the next year	$ 195	$ 191
The average duration of the defined benefit obligation	9.48 years	10.47 years

20. Equity (After restatement)

(1) Share capital – Ordinary shares

	December 31, 2025	December 31, 2024
Number of shares authorized (in thousands)	180,000	180,000
Amount of shares authorized	$ 1,800,000	$ 1,800,000
Number of shares issued and fully paid (in thousands)	125,147	112,719
Amount of shares issued	$ 1,251,468	$ 1,127,192

Fully paid ordinary shares, with a par value of NT$10, each of which carries one vote per share and carry a right to receive dividends. The portion of authorized capital reserved for the issuance of employee stock options is 27,000,000 shares.

The Company, at its general shareholders' meeting on June 30, 2025, resolved to conduct a private placement for a cash capital increase through the issuance of up to 20,000 thousand common shares, to be carried out in two tranches within one year from the date of the shareholders' resolution. On October 15, 2025, the Board of Directors further resolved to proceed with the first tranche of the private placement for the cash capital increase, issuing 12,428 thousand common shares at a private placement price of NT$12.07 per share, with a par value of NT$10 per share, totaling NT$150,001 thousand. October 29, 2025 was set as the capital increase record date, and the share proceeds have been fully received and the statutory registration procedures have been duly completed.

(2) Capital surplus

	December 31, 2025	December 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)		
Additional paid-in capital	$ 25,725	$ -
Donated assets received	758	758
May be used to offset a deficit only		
Change of Ownership Interest in Subsidiaries (Note 2)	-	2,179
	$ 26,483	$ 2,937

Note 1: The capital surplus could be used to offset a deficit and distribute as cash dividends or transfer to capital when the Company has no deficit (limited to a certain percentage of the Company's paid-in capital and once a year).

Note 2: This type of capital surplus represents the effect of equity transactions recognized due to changes in the equity of subsidiaries and associates accounted for using the equity method, arising when the Company did not actually acquire or dispose of the equity of such subsidiaries or associates.

(3) Retained earnings and dividend policy

According to the company's articles of association and profit distribution policy, if there is a surplus in the annual financial statements, it shall be used to pay taxes and make up for accumulated losses. Subsequently, 10% is set aside as a statutory surplus reserve until it reaches the paid-in capital. Any remaining surplus may be allocated or reversed according to the company's operational needs or legal requirements as special surplus reserves. If there is still a balance, it will be added to the accumulated undistributed profits, and the board of directors will propose a profit distribution resolution to the shareholders' meeting for approval, ranging from 10% to 100%. For the policies on the distribution of compensation of employees and remuneration of directors set forth in the Articles of Incorporation, refer to "Compensation of employees and remuneration of directors" in Note 22 (g).

The cash dividend shall not be less than 30% of the total dividend. However, if the cash dividend per share is less than NT$0.1, it may be changed to a stock dividend. The ratio of profit distribution may be adjusted based on factors such as the actual profit for the year, capital budgeting, and financial conditions.

Appropriation of earnings to the legal reserve could be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. When the company has no losses, the portion of the statutory surplus reserve exceeding 25% of the total paid-in capital may be used for capitalization, and the remainder may be distributed in cash.

The Company held its general shareholders' meetings on June 30, 2025 and June 28, 2024, at which the proposals for the offset of losses for 2024 and 2023, respectively, were approved.

	2024	2023
Legal reserve to offset deficits	$ -	($ 23,586)
Special surplus reserve for offsetting deficits	($ 248,697)	($ 218,029)
Capital reserve to offset deficit	$ -	($ 225,939)

(4) Special reserve

	December 31, 2025	December 31, 2024
Initial Amount Recognized upon First Adoption of the Fair Value Model for Investment Property	$ 50,060	$ 298,757

When investment property is initially measured at fair value, the net increase in fair value is transferred to retained earnings. However, if the retained earnings are insufficient, a special reserve is appropriated only to the extent of the recorded retained earnings. Subsequent net increases in fair value are appropriated to a special reserve. If the cumulative net increase in fair value decreases or the investment property is disposed of in the future, the previously appropriated special reserve may be reversed accordingly. If the investment property is reclassified as property, plant and equipment, the related special reserve is reversed as the asset is subsequently depreciated.

(5) Other Equity Items

A. Unrealized Gain or Loss on Financial Assets Measured at Fair Value Through Other Comprehensive Income

	2025	2024
Balance, beginning of year	($ 32,946)	($ 14,000)
In respect of the current year		
Unrealized gain or loss on equity instruments	(6,514)	(4,363)
Share of Other Comprehensive Income of Subsidiaries and Associates Accounted for Using the Equity Method	(27,899)	(14,583)
Balance, end of year	($ 67,359)	($ 32,946)

B. Revaluation increment of property

	2025	2024
Balance, beginning of year	$ 400,703	$ -
Revaluation increment of property		
Share of Other Comprehensive Income of Subsidiaries and Associates Accounted for Using the Equity Method	-	237,658
	-	192,504
Income tax recognized in other comprehensive income	-	(29,459)
Balance, end of year	$ 400,703	$ 400,703

21. Revenue

	2025	2024
Revenue from contracts with customers		
Revenue from sale of goods	$ 428,856	$ 577,905

(1) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts receivable (note 10)	$ 142,718	$ 250,221	$ 184,434

(2) Disaggregation of revenue from contracts with customers

	Reportable segment	
	Connection cables	
	2025	2024
Category of products or services		
Revenue from sale of goods	$ 428,856	$ 577,905

22. Net loss

(1) Interest income

	2025	2024

Bank deposits	$ 426	$ 511
Financial Assets at Fair Value Through Profit or Loss	2,198	-
Interest on loans to related parties	23	-
Others	117	73
	$ 2,764	$ 584

(2) Other income

	2025	2024
Rental income	$ 7,884	$ 12,597
Bargain purchase gain	-	5,998
Government grants	3,700	-
Others	621	365
	$ 12,205	$ 18,960

(3) Other gains and losses

	2025	2024
Foreign currency exchange gain (loss), net	$ 9,155	($ 5,038)
Impairment loss on equity method assets	(26,365)	(39,176)
Loss on financial assets		
Financial assets mandatorily classified as FVTPL	(1,471)	-
Net gain on reclassification of financial assets	-	3,617
Gain on Fair Value Adjustment of Investment Property	2,319	21,847
Gain on disposal of subsidiaries	27,507	-
Loss on lease modification	-	(353)
Others	(14,594)	(10,621)
	($ 3,449)	($ 29,724)

(4) Finance costs

	2025	2024
Interest expense from bank borrowing	$ 14,231	$ 7,898
Interest expense from lease liabilities	458	477
	$ 14,689	$ 8,375

Information on interest capitalization is as follows:

	2025	2024
Amount of capitalized interest	$ 4,008	$ 3,747
Interest rate of capitalized interest	2.63%～3.29%	2.07%～3.29%

(5) Depreciation and amortization

	2025	2024
Property, plants, and equipment	$ 11,502	$ 7,757
Right-of-use assets	10,717	8,645
Intangible assets	9,864	1,504
Total	$ 32,083	$ 17,906
Analysis of depreciation by function		
Operating expenses	$ 7,625	$ 6,687
Other gains and losses	14,594	9,715
	$ 22,219	$ 16,402
Amortization expenses by function		
Operating costs	$ 945	$ 945
Operating expenses	8,919	559
	$ 9,864	$ 1,504

(6) Employee benefits

	2025	2024
Retirement benefits		
Defined contribution plan	$ 3,100	$ 3,305
Defined benefit plan (Note 19)	1	9
Subtotal	3,101	3,314
Others	75,052	79,955
Total	$ 78,153	$ 83,269
Analysis of employee benefits by function		
Operating expenses	$ 78,153	$ 83,269

(7) Compensation of employees and remuneration of directors

Pursuant to the Company's Articles of Incorporation, employee compensation and directors' remuneration are appropriated based on the profit before tax for the year, prior to the deduction of such compensation, at rates of 3%–15% and 1%–5%, respectively. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company amended its Articles of Incorporation as approved at the 2025 shareholders' meeting, stipulating that no less than 25% of the employee compensation appropriated for the year shall be allocated to rank-and-file employees. For both 2025 and 2024, the Company incurred a net loss before tax; accordingly, no employee compensation (including rank-and-file employee compensation) or directors' remuneration was estimated and recognized.

If the amounts in the annual standalone financial statements change after the date of issuance, they will be adjusted in the following year's financial statements in accordance with accounting estimates.

The Company held Board of Directors meetings on March 12, 2025, and March 13, 2024, and resolved not to distribute employee compensation and director remuneration for 2024 and 2023, respectively. These resolutions are consistent with the amounts recognized in the parent company only financial statements for 2024 and 2023.

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

(8) Foreign exchange gain

	2025	2024
Total foreign exchange gain	$ 26,795	$ 4,435
Total foreign exchange loss	(17,640)	(9,473)
Net gain	$ 9,155	($ 5,038)

23. Taxation

(1) Income tax recognized in profit or loss

The main components of income tax benefits are as follows:

	2025	2024
Deferred tax		
In respect of the current year	$ 11,907	$ 6,072
Income tax gains recognized in profit or loss	$ 11,907	$ 6,072

The reconciliation of accounting profit and income tax benefit was as follows:

	2025	2024
Income Tax Benefit Calculated Based on Statutory Tax Rate on Pre-tax Net Income	$ 60,967	$ 50,970
Non-deductible expenses in determining taxable income	(12,893)	(10,948)
Land increment value taxes	(7,699)	(9,783)
Unrecognized loss carryforwards	(28,468)	(24,167)
Income tax gains recognized in profit or loss	$ 11,907	$ 6,072

(2) Income tax recognized in other comprehensive income

	2025	2024
Deferred tax		
In respect of the current year		
Re-measurement of defined benefit plans	($ 12)	($ 103)
- Share of Other Comprehensive Income of Subsidiaries Accounted for Using the Equity Method	-	(29,459)
	($ 12)	($ 29,562)

(3) Current tax assets

	December 31, 2025	December 31, 2024
Current tax assets (Classified under other current assets)		
Receivable income tax refund	$ 85	$ 217

(4) Deferred tax assets and liabilities

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

2025

Deferred tax assets	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income or loss	Balance, end of year
Allowance for write-down of inventories	$ 1,313	$ 109	$ -	$ 1,422
Defined benefit obligation	1,337	(39)	(12)	1,286
Net unrealized foreign exchange loss	352	(352)	-	-
Unrealized impairment loss of financial assets	2,800	-	-	2,800
Unrealized valuation loss on financial assets	-	294	-	294
Net loss from foreign investments accounted for using the equity method	-	5,039	-	5,039
	$ 5,802	$ 5,051	($ 12)	$ 10,841

Deferred tax liabilities	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income or loss	Balance, end of year
Net unrealized foreign exchange gain	$ -	$ 159	$ -	$ 159
Net gain from foreign investments accounted for using the equity method	14,064	(14,064)	-	-
Investment properties	3,695	(650)	-	3,045
Provision for Land Increment Value Taxes	21,992	7,699	-	29,691
	$ 39,751	($ 6,856)	$ -	$ 32,895

2024

Deferred tax assets	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income or loss	Balance, end of year
Allowance for write-down of inventories	$ 2,099	($ 786)	$ -	$ 1,313
Defined benefit obligation	1,476	(36)	(103)	1,337
Net unrealized foreign exchange loss	-	352	-	352
Unrealized impairment loss of financial assets	2,800	-	-	2,800
	$ 6,375	($ 470)	($ 103)	$ 5,802

Deferred tax liabilities	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income or loss	Balance, end of year
Net unrealized foreign exchange gain	$ 245	($ 245)	$ -	$ -
Net gain from foreign investments accounted for using the equity method	29,715	(15,651)	-	14,064
Investment properties	4,124	(429)	-	3,695
Provision for Land Increment Value Taxes	12,209	9,783	-	21,992
	$ 46,293	($ 6,542)	$ -	$ 39,751

(5) Unused loss carryforwards for which no deferred tax assets have been recognized in the standalone balance sheets

	December 31, 2025	December 31, 2024
Loss carryforwards		
Expiry in 2025	$ -	$ 51,749
Expiry in 2026	53,454	53,454
Expiry in 2027	70,987	70,987
Expiry in 2029	67,882	67,882
Expiry in 2030	50,643	50,643
Expiry in 2031	79,357	79,357
Expiry in 2033	70,420	79,478
Expiry in 2034	120,827	120,835
Expiry in 2035	142,340	-
	$ 655,910	$ 574,385

(6) Income tax assessments

The Company’s corporate income tax filings up to and including the 2023 fiscal year have been assessed and approved by the tax authority.

24. Loss per share

The net loss per share and the weighted average number of common shares issued for the calculation of the net loss per share are as follows:

	2025	2024
Current Net Loss	($ 292,931)	($ 248,781)

No. of shares

Unit: thousands of shares

	2025	2024
Weighted average number of ordinary shares used to calculate basic losses per share	114,898	112,719

25. Capital management

In consideration of the industry characteristics and future developments, as well as external environmental factors, the Company plans its needs for future working capital, research and development expenses, and dividend payments, in order to ensure that entities in the Group will be able to continue as going concerns while maximizing shareholder value in the long run through maintaining optimal capital structure and the optimization of the debt and equity balance.

The Company's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on the management's recommendations, the Company expects to balance its capital structure through the payment of dividends, borrowings from financial institutions or the payment of old debt.

The Company is not subject to any other external capital requirements.

26. Financial instruments

(1) Fair value of financial instruments that are not measured at fair value

The Company believes the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximated their fair values.

(2) Fair value of financial instruments that are measured at fair value on a recurring basis

A. Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss				
Foreign convertible notes	$ -	$ -	$ 31,379	$ 31,379
Financial Assets at Fair Value Through Other Comprehensive Income				
Investments in equity instruments				
Unlisted shares on domestic markets	$ -	$ -	$ 88,416	$ 88,416

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Other Comprehensive Income				
Investments in equity instruments				
Unlisted shares on domestic markets	$ -	$ -	$ 47,677	$ 47,677

B. Reconciliation of Level 3 fair value measurements of financial instruments

2025

Financial assets	FVTPL Debt Instruments	Measured at fair value through other comprehensive income Equity instruments
Beginning Retained Earnings	$ -	$ 47,677
Recognized in profit or loss (other gains and losses)	(1,471)	-
Recognized in other comprehensive income or loss	-	(6,514)
Reclassified	-	4,257
Purchase	32,850	42,996
Closing Balance	$ 31,379	$ 88,416

2024

Financial assets	FVTPL Debt Instruments	Measured at fair value through other comprehensive income Equity instruments
Beginning Retained Earnings	$ -	$ -
Recognized in other comprehensive income or loss	-	(4,363)
Reclassified	-	19,700
Purchase	-	32,340
Closing Balance	$ -	$ 47,677

C. Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

Equity investments in unlisted domestic companies are primarily measured at fair value using the market approach, based on the company's financial information and observable market data to assess the per-share fair value. A liquidity discount is also considered, with the liquidity discount as of December 31, 2025 and December 31, 2024 ranging from 15.14% to 21.10% and 14.6% to 20.36%. The higher the liquidity discount, the lower the fair value of such investments.

The fair value of overseas convertible notes is estimated using the least squares Monte Carlo method. The fair value per share is determined based on each contractual term of the convertible notes and observable market price data, taking into account a liquidity discount. As of December 31, 2025, the liquidity discount was 18.97%. The higher the liquidity discount, the lower the fair value of such investments.

(3) Categories of financial instruments

	December 31, 2025	December 31, 2024
Financial assets		
FVTPL		
Financial assets mandatorily classified as at FVTPL	$ 31,379	$ -
Measured at fair value through other comprehensive income		
Investments in equity instruments	88,416	47,677
Measured at amortized cost (note 1)	282,780	301,701
Financial liabilities		
Measured at amortized cost (note 2)	1,205,605	1,064,241

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables (classified under other current assets), and refundable deposits, all of which are financial assets measured at amortized cost.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, notes and accounts payable, other payables, long-term borrowings (including current portion), and guarantee deposits received.

(4) Financial risk management objectives and policies

The Company's operating activities require the use of multiple financial instruments, including equity investments, accounts receivable, accounts payable, and bank borrowings. However, due to the aforementioned financial instruments and operating activities, the Company is exposed to risks such as credit risk, liquidity risk, and market risk.

To avoid the possible adverse impact by the aforementioned financial risks on the Company, the Company has been dedicated to analyzing, identifying, and evaluating relevant financial risks. The financial risk management framework of the Company is supervised by the Board of Directors. The accounting department establishes and follows financial risk management policies. Financial risk control procedures are regularly and irregularly reviewed by the internal auditors and related results are reported to the Board of Directors on a regular basis. The Company is committed to developing a disciplined and constructive control environment to reduce the potential adverse impact of the aforementioned risks on the Company.

A. Market risk

The Company’s activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There were no changes in the exposures of financial instruments to market risk and the management and measurement of such exposures.

(A) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed by hedging which was not for the purpose of making profits. Foreign currency inflows and outflows resulted in natural hedging effects in the long run, and exchange rate changes had little impact on the Company's operations. Therefore, the Company only adjusted the cash reserves of foreign currency deposits and did not use accounts receivable/payable as derivative products for hedging. However, the hedging for exchange rate risk will be carried out through relevant commodities in a timely manner based on the exchange rate movement and the evaluation report of financial institutions.

Refer to note 30 for the carrying amounts of monetary assets and liabilities denominated in non-functional currencies at the balance sheet dates.

Sensitivity Analysis

The Company is primarily affected by fluctuations in the U.S. dollar exchange rate.

The following schedule details the sensitivity analysis of the Company when the New Taiwan dollar (functional currency) strengthens or weakens by 1% against relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. The positive figures in the table represent the amount by which the pre-tax net loss would increase/decrease if the New Taiwan dollar depreciates by 1% against each respective foreign currency; if the New Taiwan dollar appreciates by 1% against each respective foreign currency, the impact on the pre-tax net loss would be the same amount in the opposite direction.

	USD impact	
	2025	2024
Profit or loss	($ 2,501)	($ 1,141)

This was mainly due to the Company's bank deposits and receivables and payables denominated in U.S. dollars that were outstanding and not cash flow hedged at the balance sheet date.

(B) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
Financial assets	$ 12,000	$ -
Financial liabilities	16,143	21,674
Risk of cash flow changes due to interest rate		
Financial assets	113,601	39,094
Financial liabilities	761,400	643,400

Sensitivity Analysis

The sensitivity analyses below have been determined on the basis of the exposure to interest rates for non-derivative instruments on balance sheet dates. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the asset and liability outstanding on the balance sheet dates outstanding for the entire period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates increase by 100 basis points, with all other variables held constant, the Company's net loss before tax for 2025 and 2024 would increase by NT$6,478 thousand and NT$6,043 thousand, respectively, primarily due to the Company's net exposure to variable-rate deposits and variable-rate borrowings.

(C) Other price risk

The Company was exposed to equity price risk through its investments in domestic and foreign listed equity securities. The Company does not actively trade these investments. Relevant personnel has been assigned to the supervision of price risk and assessment of the timing of increasing the hedging.

Sensitivity Analysis

If equity prices increase or decrease by 1%, other comprehensive loss before tax for 2025 and 2024 would decrease or increase by NT$884 thousand and NT$477 thousand, respectively.

B. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the balance sheet date, the Company’s maximum exposure to credit risk resulting from the counterparty’s default on its contractual obligations and the Company’s provision of financial guarantee is the carrying amount of the financial assets on the standalone balance sheets.

To mitigate the impact of credit risk, the Company considers the default risk by industries and countries of each customer, as well as the nature of the counterparty (capital scale, loan status, etc.), based on which credit policies, payment terms and trade terms were established by the accounting department. If necessary, a third-party risk assessment institution was engaged to assess its risk. Relevant terms are reviewed and audited by the audit office regularly.

Given that most of the major customers are well-known domestic listed (TWSE/TPEx) companies with normal transaction records, the default risks is quite low. The risk from new small customers is managed by only receiving advance payments or cash. After the transaction basis becomes stable, the credit limit is updated by referring to external information. Hence, there is limited impact of the credit risk on the Company. Furthermore, the Company has established a provision policy, set allowance account, and presented in the statement to reflect the estimation of the potential loss resulted from the credit risk.

C. Liquidity risk

Liquidity risk refers to the risk that relevant obligations are not fulfilled due to the Company's failure to settle the financial liabilities by cash or other financial assets. The share capital and working capital of the Company is sufficient, therefore there is no liquidity risk from the inability to raise capital for fulfilling contractual obligations. Bank borrowing is an important source of liquidity for the Company. As of December 31, 2025 and 2024, the Company had unused bank credit facilities of NT$0 thousand and NT$45,000 thousand, respectively.

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

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

The undiscounted interest payment relating to borrowing with variable interest rates was extrapolated based on the yield curve as of the end of the reporting period.

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative Financial Liabilities				
Non-interest bearing liabilities	$ 216,592	$ 74,748	$ 152,865	$ -
Variable interest rate liabilities	1,850	58,611	13,924	-
Lease liabilities	1,138	2,271	8,149	-
	$ 219,580	$ 135,630	$ 174,938	$ -

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative Financial Liabilities				
Non-interest bearing liabilities	$ 18,723	$ 1,446	$ 62	$ -
Variable interest rate liabilities	1,420	4,260	595,637	-
Lease liabilities	968	1,935	8,709	-
	$ 21,111	$ 7,641	$ 604,408	$ -

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates were to differ from those estimates of interest rates determined at the end of the reporting period.

27. Related-party transactions

In addition to those disclosed in other notes, details of transactions between the Company and other related parties were disclosed below:

(1) Related party name and category

Related Party Name	Related Party Category
JBT	Subsidiaries
JHP	Subsidiaries
CHINTEK	Subsidiaries
Emergence A.I	Subsidiaries
Heph A.I studios Technology	Subsidiaries
Jin-Zuan Semiconductor Investment	Subsidiaries
SHAN YI Investment	Sub-subsidiary
Fable Technology Co. Ltd. (Fable)	Substantive related party

(2) Operating income

Account Item	Related Party Category	2025	2024
Revenue from sale of goods	Subsidiaries	$ 1,295	$ 1,607

The Company's operating revenue from related parties is conducted under normal commercial terms and conditions, with payment terms consistent with those for general sales transactions.

(3) Purchase

Account Item	Related Party Name	2025	2024
Purchase	Subsidiaries		
	JHP	$ 366,523	$ 503,798
	Others	26,779	34,071
		$ 393,302	$ 537,869

The Company's purchase prices from related parties are based on normal commercial terms and conditions. The payment terms with J.H.P are 240 days on a monthly settlement basis; effective August 1, 2025, they were changed to 360 days on a monthly settlement basis. All other terms are the same as those for general suppliers.

(4) Receivables from related parties

Account Item	Related Party Name	December 31, 2025	December 31, 2024
Accounts receivable – related parties	Subsidiaries		
	Others	$ 859	$ 662
Other receivables – related parties	JHP	$ 7,246	$ 7,600

Outstanding receivables from related parties are not secured by any guarantees. No allowance for doubtful accounts was recognized for receivables from related parties for 2025 and 2024.

(5) Payables to related parties (excluding borrowings from related parties)

Account Item	Related Party Name/Category	December 31, 2025	December 31, 2024
Accounts payable – related parties	Subsidiaries		
	JHP	$ 420,657	$ 380,546
	Others	15,968	11,241
		$ 436,625	$ 391,787
Other Payables – Related Parties	Subsidiaries	$ -	$ 1,763

Outstanding payables to related parties are unsecured.

(6) Prepayments (other assets)

Account Item	Related Party Name/Category	December 31, 2025	December 31, 2024
Prepayments	Emergence A.I	$ 1,559	$ 1,974
	Substantive related party	127	127
		$ 1,686	$ 2,101

(7) Sublease agreement

Sublease of operating lease

The Company subleased the right-of-use asset for the Nangang office to a related party under an operating lease. The lease term is one year, and the rental rate is based on the market rent level of similar assets. Fixed lease payments are collected monthly in accordance with the lease agreement.

The rental income is summarized as follows:

Account Item	Category/Name of related party	2025	2024
Other income – rental income	Subsidiaries		
	CHINTEK	$ 5,400	$ 4,725
	Emergence A.I	960	898
	Heph A.I studios Technology	792	693
	Others	57	47
	Sub-subsidiary	57	40
		$ 7,266	$ 6,403

(8) Others

Account Item	Category/Name of related party	2025	2024
Other income - others	Subsidiaries	$ 300	$ 173
System usage, certificates and licensing fees	Substantive related party	$ 400	$ 273
	Subsidiaries	651	-
		$ 1,051	$ 273

(9) Loans to related parties

Account Item	Related Party Category	2025
Interest income	Jin-Zuan Semiconductor Investment	$ 23

(10) Compensation to key management of the Group

	2025	2024
Short-term employee benefits	$ 21,184	$ 16,435
Retirement benefits	663	634
	$ 21,847	$ 17,069

The remuneration to directors and key management was determined by the remuneration committee based on individual performance and markets.

28. Pledged assets

The following assets have been pledged as collateral for financing borrowings and guarantee deposits for government subsidies:

	December 31, 2025	December 31, 2024
Financial assets at amortized cost – non-current	$ 12,000	$ -
Property, plants, and equipment, net	116,078	116,740
Investment properties	843,666	841,347
	$ 971,744	$ 958,087

29. Subsequent Events

(1) The Company filed an application with the New Taipei City Government for an urban renewal project plan relating to land located in the Baoxing Section, Xindian District, New Taipei City, and received official approval from the New Taipei City Government, with the project becoming effective on January 26, 2026.

(2) The Company has obtained an approval letter from the Financial Supervisory Commission dated January 28, 2026, for the effective registration of the issuance of its second secured convertible corporate bonds with a total amount of up to NT$450,000 thousand. As of the date of issuance of the parent company only financial statements, the bonds have not yet been formally issued.

(3) On February 4, 2016, the Company subscribed to shares in the cash capital increase of its subsidiary, Heph A.I studios Technology, in the amount of NT$20,000,000, in accordance with the subscription ratio.

30. Significant Assets and Liabilities Denominated in Foreign Currencies

The following information was aggregated by the foreign currencies other than functional currencies of the Company and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2025

	Foreign currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary Item			
USD	$ 6,012	31.43 (USD:NTD)	$ 188,957
Non-monetary items			
Investments accounted for using equity method			
USD	10,470	31.43 (USD:NTD)	329,071
THB	530,613	1.0019 (THB:NTD)	531,621
VND	1,892,466	0.001175 (VND:NTD)	2,224
Financial Liabilities			
Monetary Item			
USD	13,970	31.43 (USD:NTD)	439,077

December 31, 2024

	Foreign currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary Item			
USD	$ 8,832	32.785 (USD:NTD)	$ 289,557
Non-monetary items			
Investments accounted for using equity method			
USD	11,286	32.785 (USD:NTD)	370,004
THB	604,873	0.9623 (THB:NTD)	582,069
VND	2,020,000	0.0013 (VND:NTD)	2,626
Financial Liabilities			
Monetary Item			
USD	12,311	32.785 (USD:NTD)	403,616

Foreign exchange gains and losses with material influence (including realized and unrealized) are as follows:

	2025		2024	
Foreign currencies	Exchange Rate	Net foreign exchange (loss) gain	Exchange Rate	Net foreign exchange (loss) gain
USD	31.18 (USD: NTD)	$ 9,155	32.785 (USD: NTD)	($ 5,038)

31. Other Disclosures

(1) Information on significant transactions:

A. Financing provided to others. (Table 1)

B. Endorsements/guarantees provided. (Table 2)

C. Significant marketable securities held at the end of the period (excluding investments in subsidiaries and associates). (Table 3)

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

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

(2) Information on invested businesses (Table 6)

(3) Information on investment in mainland China

A. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)

B. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)

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

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

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

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

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

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

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Loans to other parties

2025

Table 1

Unit: Unless otherwise stated, in NT$ thousands.

No. (Note 1)	Lending company	Borrower	Items of transactions	Whether a related party	Highest balance for the current period (Note 1)	Closing Balance (Note 1)	Actual amount drawn	Interest Rate Range	Nature of the loan (Note 2)	Transaction amount	Reasons for the necessity of short-term financing	Amount of allowance for bad debts	Collateral		Limit on loans to a single counterparty (Note 3)	Aggregate limit on loans (Note 3)
													Name	Value		
0	Ji-Haw Industrial	Jin-Zuan Semiconductor Investment	Other receivables	Yes	$ 80,000	$ 80,000	$ -	3.244%	2	$ -	Repayment of borrowings	$ -	-	-	$ 260,908	$ 521,816
1	Heph A.I studios Technology	CHINTEK	Other receivables	Yes	6,000	-	-	3.244%	2	-	Working capital turnover	-	-	-	10,082	10,082
1	Heph A.I studios Technology	JBT	Other receivables	Yes	6,286 (USD 200 thousand) (Note 4)	-	-	3.119%	2	-	Working capital turnover	-	-	-	10,082	10,082

Note 1: Represents the lending limit approved by each company's board of directors.

Note 2: The nature of the loans is explained as follows:

1. Fill in 1 for those with business transactions.
2. Fill in 2 for those with a need for short-term financing.

Note 3: In accordance with each company's "Procedures for Lending Funds to Others," the limits on loans to individual counterparties and the aggregate loan limits are as follows:

1. Ji-Haw Industrial: The limit for loans to a single counterparty shall not exceed 20% of Ji-Haw Industrial's net worth; the aggregate limit shall not exceed 40% of Ji-Haw Industrial's net worth.
2. Heph A.I studios Technology: The limit for loans to a single counterparty and the aggregate limit shall not exceed 40% of Heph A.I studios Technology's net worth.

Note 4: Translated at the exchange rate as of the financial statement date of USD:NTD = 1:31.43.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Endorsements/guarantees for others

2025

Table 2

Unit: Unless otherwise stated, in NT$ thousands.

No.	Name of Endorser/ Guarantor	The Endorsed/Guaranteed		Endorsement/ Guarantee Limit per Company	Highest Balance of Endorsements/ Guarantees in the Current Year	Closing Balance of Endorsements/ Guarantees	Actual amount drawn	Amount of Endorsements/ Guarantees Secured by Property	Cumulative Amount of Endorsements/ Guarantees as a Percentage of Net Worth Stated in the Latest Financial Statements (%)	Endorsement/Guarantee Limit	Parent Company's Guarantees/ Endorsements to Subsidiaries	Subsidiary's Guarantees/ Endorsements to Parent Company	Guarantees/ Endorsements to the Mainland Area	Remarks
		Investee	Relationship											
0	Ji-Haw Industrial,	CHINTEK	Businesses in which the Company holds more than 50% direct or indirect voting interest.	$ 260,908 (The guarantee limit for any single entity is capped at 20% of the net equity attributable to shareholders as presented in Ji-Haw's most recent financial statements.)	$ 25,000	$ -	$ -	$ -	-	$ 521,816 (The maximum amount of endorsements and guarantees shall be limited to 40% of the Company's net share value as shown in the most recent financial statements)	Y	N	N	
0	Ji-Haw Industrial, Co., Ltd.	Jin-Zuan Semiconductor Investment	Businesses in which the Company holds more than 50% direct or indirect voting interest.	260,908 (The guarantee limit for any single entity is capped at 20% of the net equity attributable to shareholders as presented in Ji-Haw's most recent financial statements.)	50,000	50,000	50,000	-	3.83	521,816 (The maximum amount of endorsements and guarantees shall be limited to 40% of the Company's net share value as shown in the most recent financial statements)	Y	N	N	
1	SHAN YI Investment	Jin-Zuan Semiconductor Investment	Companies that directly and indirectly hold more than 50% of the voting shares of the Company	195,067 (The guarantee limit for any single entity is capped at 100% of the net equity attributable to shareholders as presented in SHAN YI Investment Co.'s most recent financial statements.)	130,000	50,000	50,000	50,000	25.63	390,134 (The maximum guarantee limit is capped at 200% of the net equity attributable to shareholders as presented in SHAN YI Investment Co.'s most recent financial statements.)	N	N	N	
2	J.H.K	JBT	Business in which the Company holds more than 90% direct or indirect voting rights.	72,126 (The maximum on guarantees for a single enterprise is capped at 100% of the net equity of J.H.K. based on its most recent financial statements.)	17,886	17,886	16,030	17,886	24.80	144,252 (The maximum guarantees limit is capped at 200% of the net equity of J.H.K. based on its most recent financial statements.)	N	N	N	

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Significant marketable securities held at the end of the period

December 31 2025

Table 3

Unit: Unless otherwise stated, in NT$ thousands.

Holding Company Name	Marketable Securities Type and Name	Relationship with the issuer of securities	Financial Statement Account	End of the period				Remarks
				Shares/Units	Carrying Amount	Shareholding Percentage (%)	Fair value	
Ji-Haw Industrial	<u>shares</u>							
	SKYMIZER TAIWAN INC.	—	Non-current financial assets at fair value through other comprehensive income	82,500	$ 21,855	1.83%	$ 21,855	Note 2
	CERMAX CO., LTD.	—	Non-current financial assets at fair value through other comprehensive income	1,250,000	23,779	8.09%	23,779	Note 2
	Silicon Test Tech Corp.	—	Non-current financial assets at fair value through other comprehensive income	116,000	4,802	4.82%	4,802	Note 2
	Ennovision INC.	—	Non-current financial assets at fair value through other comprehensive income	2,088,000	37,980	18.16%	37,980	Note 2
SHAN YI Investment	TEKCORE CO., LTD.	—	Non-current financial assets at fair value through other comprehensive income	5,819,318	146,356	9.19%	146,356	Note 3
Ji-Haw Industrial	<u>Convertible notes</u>							
	OXMIQ Labs Inc.	—	Financial assets at fair value through profit or loss – non-current	-	31,379	-	31,379	Note 2

Note 1: Marketable securities stated in this table refer to stocks within the scope of IFRS 9 “Financial Instruments”.

Note 2: Not provided as collateral, pledged, or restricted in other ways.

Note 3: A portion of the said securities has been provided to the subsidiary (Jin-Juan Semiconductor Investment Co., Ltd.) as collateral for borrowings. For details on endorsements and guarantees, please refer to Table 1.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital

2025

Table 4

Unit: Unless otherwise stated, in NT$ thousands.

Buyer (Seller)	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Percentage to Total Sales (Purchases) (%)	Collection/ Payment terms	Unit Price	Collection/ Payment terms	Balance	Percentage to Total Notes/ Accounts Receivable (Payable) (%)	
Ji-Haw Industrial	J.H.P	Subsidiaries	Purchase	$ 366,523	91	Note 1	—	Note 1	($ 420,657)	96	—
J.H.P	Ji-Haw Industrial, Co., Ltd.	Parent	Sales	(366,523)	65	Note 1	—	Note 1	420,657	85	—

Note 1: From January 1 to July 31, 2025, the credit term was 240 days from month-end settlement; effective August 1, 2025, it was changed to 360 days from month-end settlement.

Ji-Haw Industrial, Co., Ltd., 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: Unless otherwise stated, in NT$ thousands.

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
J.H.P	Ji-Haw Industrial	Parent	$ 420,657	0.94	$ -	—	$ 38,939	$ -

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Information on investees

2025

Table 6

Unit: Unless otherwise stated, in NT$ thousands.

Investor	Investee	Location	Main business or production items	Initial investment amount		Balance as of December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Remarks
				Balance as at December 31, 2025	Balance as at December 31, 2024	No. of shares	Percentage (%)	Carrying Amount			
Ji-Haw Industrial	JBT	227, M003, Laem Chabang Industrial Estate, Sukhumvit Road, Thungsukla, Sriracha, Chonburi 20230 Thailand	Manufacturing and trading of computer cables or plugs	$ 222,409	$ 207,215	20,200,000	100.00	$ 531,621	($ 62,550)	($ 62,550)	Subsidiaries
	J.H.I	Sertus Chambers, P.O. Box 603, Apia, Samoa.	Investing in overseas financial products and stocks	9,649	9,649	300,000	100.00	4,620	(3)	(3)	Subsidiaries
	J.H.V	3rd Floor, No. 87 89 Khuat Duy Tien Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi	Manufacturing and trading of computer cables or plugs	3,159	3,159	-	100.00	2,224	(217)	(217)	Subsidiaries
	CHINTEK	8F-1, No. 198, Jingmao 2nd Road, Nangang District. Taipei City	Development and sales of automotive electronics and other software products	178,000	133,000	9,600,000	100.00	64,195	(21,265)	(25,493)	Subsidiaries
	Emergence A.I	8F-1, No. 198, Jingmao 2nd Road, Nangang District. Taipei City	Management consulting and technology R&D services	20,000	10,000	2,000,000	80.00	4,091	(12,077)	(9,592)	Subsidiaries
	Heph A.I studios Technology	8F-1, No. 198, Jingmao 2nd Road, Nangang District. Taipei City	Software R&D and management consulting services	60,000	45,000	6,000,000	100.00	15,732	(32,340)	(32,340)	Subsidiaries
	Silicon Test Tech	2F., No. 2, Lane 214, Section. 1, Zhongxing Road., Sanchong Rd., Zhudong Township, Hsinchu County	IC packaging OEM	-	54,000	-	-	-	(1,326)	(3,162)	Note 2
	Jin-Zuan Semiconductor Investment	No. 53, Baoxing Road, Xindian District, New Taipei City	General investment	122,632	63,827	10,320,000	84.16	84,650	(3,370)	(1,971)	Subsidiaries
Silicon Test Tech	Jern Yao	5F-3, No. 262, Section 2, Huamei Street, North District, Taichung City	IC packaging OEM	-	1,000	-	-	-	(22)	(22)	Note 3
CHINTEK	C.P.T	5-402, 12, Higashi-Shinagawa 1-chome, Shinagawa-ku, Tokyo	Integrated sales of software and equipment	1,524	1,524	72	75.00	1,295	(104)	(78)	Subsidiaries
Jin-Zuan Semiconductor Investment	SHAN YI Investment	No. 53, Baoxing Road, Xindian District, New Taipei City	General investment	163,500	163,500	17,750,000	100.00	146,441	(343)	(343)	Subsidiaries

Note 1: Please refer to Table 7 for information on investment in mainland China.

Note 2: As a result of the Company's disposal of Silicon Test Tech, the remaining 4.82% equity interest was reclassified on the date control was lost as a financial asset measured at fair value through other comprehensive income. Please refer to Note 29 for details.

Note 3: On the date the Company disposed of Silicon Test Tech, it simultaneously lost control over Jern Yao.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Information on investment in mainland China

2025

Table 7

Unit: Unless otherwise stated, in NT$ thousands.

Investee	Main business or production items	Paid-in capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net profit (loss) of the investee for the year ended December 31, 2025	Percentage of Ownership of Direct or Indirect Investment	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Remarks
					Outward	Inward							
J.H.K	Manufacturing and trading of computer cables or plugs	$ 3,234 (US$ 100,000)	Direct investment with 100% ownership	$ 3,143 (US$ 100,000)	$ -	$ -	$ 3,143 (US$ 100,000)	($ 5,549)	100%	($ 5,549)	$ 73,426	$ 277,250	—
J.H.P	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	414,018 (US$12,600,000)	40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.	301,728 (US$9,600,000)	-	-	301,728 (US$9,600,000)	(64,885)	100%	(64,468)	626,455	-	Note 2
Chuzhou Ding Wang	Investment development	279,316 (CNY60,180,000)	Held directly by the 100% owned subsidiary, J.H.P.	-	-	-	-	-	39%	-	1,725	-	—

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 304,871 (US$9,700,000)	$ 399,161 (US$12,700,000)	$ 804,601 (Note 3)

Note 1: Except that the investee companies' profit or loss for the current period and the investment income recognized for the current period are translated using the average exchange rate for 2025, all other items are translated using the spot exchange rate as of the end of December 2025.

Note 2: Investment losses of NT$64,468 thousand were recognized for the current year. Of this amount, NT$27,193 thousand (including unrealized upstream and side stream transactions) was recognized by the Company based on its 40.48% shareholding, while the remaining NT$37,275 thousand (including upstream transactions) was recognized through its wholly owned subsidiary, J.B.T, based on a 59.52% shareholding.

Note 3: Calculated pursuant to Article 3 of "Principle of investment or Technical Cooperation in Mainland China", MOEA, which was the higher of the net worth of the entity or 60% of the consolidated net worth.

§TABLE OF CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS§

Ji-Haw Industrial, Co., Ltd.

Statement of cash

December 31, 2025

Statement 1 Unit: thousands of New Taiwan Dollar unless otherwise specified

Name	Amount
Cash	
Cash on hand (note 1)	$ 91
Bank checking accounts	349
Demand deposits (note 2)	113,601
	$114,041

Note 1: The details of foreign currencies in cash on hand were as follows: (expressed in dollars)

Currency	Amount in foreign currency	Exchange Rate
JPY	$ 68,584	0.2008
USD	28	31.43
THB	6,044	1.0019
CNY	79	4.4716
HKD	52	4.038
SGD	11	24.45
HUF	20,700	0.09577
PHP	715	0.5335
DKK	136	4.9299
SEK	292	3.42
Germany	26	18.8667
CZK	1,100	1.5242

Note 2: Including US$481 thousand translated at the rate of US$1=NT$31.43.

Ji-Haw Industrial, Co., Ltd.

Statement of accounts receivable

December 31, 2025

Statement 2 Unit: NT$ thousand

Customer Name	Amount
CH416	$ 51,313
JHT23	26,106
CH200	20,982
CH045	13,280
TA1021	9,724
CH450	7,238
Others (note)	14,075
Total	142,718
Less: allowance	397
Net	$142,321

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

Ji-Haw Industrial, Co., Ltd.

Statement of inventories

December 31, 2025

Statement 3

Unit: NT$ thousand

Name	Amount	
	Cost	Market price (note 1)
Raw materials	$ 6,264	$ 5,812
Finished goods	56,651	56,059
Total	62,915	$ 61,871
Less: allowance (note 2)	7,111	
Net	$ 55,804	

Note 1: The net realizable value.

Note 2: The allowance for loss on decline in value of inventory and slow-moving inventory

Ji-Haw Industrial, Co., Ltd.

Statement of changes in investments accounted for using equity method

2025

Statement 4

Unit: thousands of New Taiwan Dollar unless otherwise specified

		Balance, beginning of year			Increase for the current year		Decrease for the current year						Balance, end of year			
	Par value	No. of shares	Shareholding ratio (%)	Amount	No. of shares	Amount	No. of shares	Amount	Investment income (loss)	Other comprehensive income	Impairment loss	Change in ownership	No. of shares	Shareholding ratio (%)	Amount	Remarks
Unlisted shares																
J.B.T	THB 10	18,600,000	100.00	$ 582,069	1,600,000	$ 15,494	-	$ -	($ 62,550)	($ 3,392)	$ -	$ -	20,200,000	100.00	$ 531,621	Note 2
J.H.P		-	40.48	284,493	-	-	-	-	(27,193)	(6,275)	-	-	-	40.48	251,025	Note 3
J.H.K		-	100.00	80,689	-	-	-	-	(5,549)	(1,714)	-	-	-	100.00	73,426	—
J.H.I	USD 1	300,000	100.00	4,822	-	-	-	-	(3)	(199)	-	-	300,000	100.00	4,620	—
J.H.V		-	100.00	2,626	-	-	-	-	(217)	(185)	-	-	-	100.00	2,224	—
CHINTEK		5,100,000	100.00	71,112	4,500,000	45,000	-	-	(25,493)	(59)	(26,365)	-	9,600,000	100.00	64,195	Note 4
Emergence A.I		1,000,000	66.67	4,998	1,000,000	10,000	-	-	(9,592)	-	-	(1,315)	2,000,000	80.00	4,091	Note 5
Heph A.I studios Technology		4,500,000	100.00	33,072	1,500,000	15,000	-	-	(32,340)	-	-	-	6,000,000	100.00	15,732	Note 6
Silicon Test Tech		1,660,000	68.93	36,406	-	-	(1,660,000)	(33,244)	(3,162)	-	-	-	-	-	-	Note 7
Jin-Zuan Semiconductor Investment		4,610,000	53.22	58,772	5,710,000	58,805	-	-	(1,971)	(27,899)	-	(3,057)	10,320,000	84.16	84,650	Note 8
				$ 1,159,059		$ 144,299		($ 33,244)	($ 168,070)	($ 39,723)	($ 26,365)	($ 4,372)			$ 1,031,584	

Note 1: The long-term investment has not been provided as collateral or pledged for the current period.

Note 2: The increase for the year was due to the Company making additional cash investments of NT$15,494 thousand.

Note 3: Investment losses of NT$64,468 thousand were recognized for the current year. Of this amount, NT$27,193 thousand (including upstream and side stream transactions) was recognized by the Company based on its 40.48% shareholding, while the remaining NT$37,275 thousand (including upstream transactions) was recognized through its wholly owned subsidiary, J.B.T, based on a 59.52% shareholding.

Note 4: The increase for the year was due to the Company making additional cash investments of NT$45,000 thousand.

Note 5: The increase for the year was attributable to the Company subscribing to a cash capital increase of NT$10,000 thousand not in proportion to its shareholding.

Note 6: The increase for the year was due to the Company making additional cash investments of NT$15,000 thousand.

Note 7: The decrease for the year was due to the disposal of 64.11% of the Company's equity interest, resulting in the loss of control over the company. The remaining 4.82% interest was reclassified as an equity investment designated at fair value through other comprehensive income.

Note 8: The increase for the year was attributable to the Company's acquisition of equity in the company and its subscription to the company's cash capital increase not in proportion to its shareholding.

Ji-Haw Industrial, Co., Ltd.

Statement of long-term borrowings

December 31, 2025

Statement 5

Unit: NT$ thousand

Creditor bank	Summary	Amount: Due within one year	Amount: Due after one year	Amount: Total	Contract period	Interest rate range (%)	Loan Commitment	Remarks	Collateral or guarantee
Hwatai Bank	Secured borrowing	$ 43,400	$ -	$ 43,400	February 19, 2024–February 28, 2026	3.28	$ 43,400	Note 1	Property, plant and equipment – land NT$96,255 thousand
Hwatai Bank	Secured borrowing	10,000	-	10,000	February 19, 2024–February 28, 2026	3.38	10,000	Note 1	Property, plant and equipment – land NT$96,255 thousand
Sunny Commercial Bank	Secured borrowing	-	708,000	708,000	December 19, 2025–December 19, 2028	2.93	708,000		Property, plant and equipment – land NT$18,462 thousand; property, plant and equipment – buildings NT$1,361 thousand; investment property – land NT$824,687 thousand; and investment property – buildings NT$18,979 thousand
Total		$ 53,400	$ 708,000	$ 761,400			$ 761,400		

Note 1: A shared credit facility of NT$53,400 thousand.

Ji-Haw Industrial, Co., Ltd.

Statement of operating costs

2025

Statement 6 Unit: NT$ thousand

Name	Amount
Cost of self-produced products	
Raw materials, beginning of the year	$ 516
Add: raw materials purchased	6,791
Less: raw materials, end of the year	6,264
Cost of raw materials sold	1,043
Raw materials used	-
Manufacturing costs	-
Add: finished goods, beginning of the year	69,625
Purchases for the Current Period	395,263
Less: Reclassified to Expenses	33
Finished goods, end of the year	56,651
Cost of self-produced products	408,204
Raw materials sold as goods	1,043
Other operating costs	946
Write-down of inventories	548
Operating costs	$ 410,741

Ji-Haw Industrial, Co., Ltd.

Statement of operating expenses

2025

Statement 7 Unit: NT$ thousand

Item	Selling expenses	Administrative expenses	R&D expenses	Total
Salary expenses	$ 24,564	$ 43,969	$ 1,722	$ 70,255
Services	120	14,408	-	14,528
Software	1,051	776	7,908	9,735
Amortization	895	170	7,854	8,919
Depreciation expenses	453	3,262	3,910	7,625
Others (note)	16,558	19,955	4,991	41,504
Subtotal	$ 43,641	$ 82,540	$ 26,385	152,566
Expected credit loss				(852)
Total				$ 151,714

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

Ji-Haw Industrial, Co., Ltd.

Statement of employee benefits and depreciation expenses by function

2025 and 2024

Statement 8

Unit: NT$ thousand

	2025				2024			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as other gains and losses	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as other gains and losses	Total
Employee benefits								
Salaries	$ -	$ 61,902	$ -	$ 61,902	$ -	$ 66,123	$ -	$ 66,123
Labor and health insurance	-	5,449	-	5,449	-	5,762	-	5,762
Pension	-	3,101	-	3,101	-	3,314	-	3,314
Remuneration to directors	-	5,252	-	5,252	-	4,840	-	4,840
Others	-	2,450	-	2,450	-	3,230	-	3,230
	$ -	$ 78,154	$ -	$ 78,154	$ -	$ 83,269	$ -	$ 83,269
Depreciation expense	$ -	$ 7,625	$ 14,594	$ 22,219	$ -	$ 6,687	$ 9,715	$ 16,402
Amortization Expenses	945	$ 8,919	$ -	9,864	$ 945	$ 559	$ -	$ 1,504

Note 1: The number of employees for the current and prior year was 73 and 76, respectively, including 6 directors not concurrently serving as employees in each year. The calculation basis is consistent with that used for employee benefit expenses.

Note 2: (1) Average employee benefits for the year ended December 31, 2025 was NT$ 1,088 thousand. Average employee benefits for the year ended December 31, 2024 was NT$ 1,120 thousand.

(2) Average salaries for the year ended December 31, 2025 was NT$ 924 thousand. Average employee benefits for the year ended December 31, 2024 was NT$ 945 thousand.

(3) Change in Average Employee Salary Expense: (2.22)%

(4) The Company no longer has supervisors, and their functions have been replaced by the Audit Committee in accordance with applicable regulations.

(5) Remuneration Policy (Including Directors, Managers, and Employees):

Remuneration to directors and supervisors: remuneration is appropriated according to the Articles of Incorporation, regulated by the Remuneration Committee, resolved by the Board of Directors and distributed after passed by the shareholders' meeting.

Compensation to the management and employees: compensation standards are formulated based on their duties, education, professional skills. Salary adjustment and bonus distribution are made depending on the Company's operation, employees' performance, etc. The compensation to the management is resolved by the Remuneration Committee and passed by the Board of Directors.