Stock Code:3033

WEIKENG INDUSTRIAL CO., LTD.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024

Address: 11F., No.308, Sec.1, Neihu Rd., Neihu Dist., Taipei City
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The independent auditors' report and the accompanying Parent Company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and Parent Company only financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of Weikeng Industrial Co., Ltd.:

Opinion

We have audited the financial statements of Weikeng Industrial Co., Ltd.("the Company"), which comprise the balance sheets as of December 31, 2025 and 2024, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the auditors' report as follows:

1. Recognition of Operating Revenue

   Please refer to note (4)(m) "Revenue recognition" for accounting policies with respect to recognizing revenue, and to note (6)(t) "Revenue from contracts with customers" for explanatory notes about revenue.

   Description of key audit matters:

   Weikeng Industrial Co., Ltd. is a listed company. The Company is a distributor for the sale of electronic components and computer peripheral equipment. Operating revenue is one of the significant items in the financial statements, and the amounts and changes of operating revenue may affect the users' understanding of the entire financial statements. Therefore, the testing over revenue recognition is considered a key matter in our audits.

How the matter was addressed in our audits:

Our main audit procedures for the aforementioned key audit matters include testing the Company's controls surrounding revenue recognition in the order-to-cash transaction cycle, including reconciliations between the general ledger and sales system; performing the detailed test of relevant vouchers, as well as assessing whether the Company's timing on revenue recognition and the amounts recognized are in accordance with related standards.

2. Valuation of Inventories

Please refer to note (4)(g) " Inventories" for accounting policies with respect to valuating inventories, to note (5) "Valuation of inventories" for accounting estimates and uncertainties of affairs for inventory valuation; and to note (6)(f) "Inventories" for explanatory notes about inventories and related expenses.

Description of key audit matters:

The Company is a distributor for the sale of electronic components and computer peripheral equipment. Due to the horizontal competition in the industry and constant advancement of related technologies, the price of end electronic products are volatile, and thus, affects the price of electronic components and computer peripheral equipment. Therefore, the testing over the valuation of inventories is considered a key matter in our audits.

How the matter was addressed in our audits:

Our main audit procedures for the aforementioned key audit matters include evaluating whether the policies for setting aside allowance for inventory valuation and obsolescence losses are in accordance with the Company's policies and related standards; as well as implementing sampling procedures to check the correctness of the aging of the inventories. In addition, we also examined the inventory aging reports, understood the subsequent sales status of slow moving inventories; and evaluated the adopted basis of the net realizable value to assess the reasonableness of the management's estimates of the allowance for inventory valuation.

3. The share of profit (loss) of subsidiaries and investments accounted for using equity method

Please refer to note (4)(h) "Investments of subsidiaries" for the accounting policies; note (6)(g) "Investments accounted for using equity method"for explanatory notes about the investments under equity method.

Description of key audit matters:

The subsidiaries, which are recognized under equity method, are distributors for the sale of electronic components and computer peripheral equipment with holding material assets, such as accounts receivable and inventories. Therefore, the share of profit (loss) of subsidiaries and investments accounted for using equity method which is one of the material items in the financial statements is considered a key matter in our audits.

How the matter was addressed in our audits:

Our main audit procedures for the aforementioned key audit matters include understanding the related controls over investments accounted for using equity method; testing the changes of the investment under equity method within the year, including the recognition of investments gains (losses) and the share of comprehensive income; as well as assessing whether the Company's recognition of investments are in accordance with the related standards.

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

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

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

Those charged with governance (including Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investments in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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.

The engagement partners on the audit resulting in this independent auditors' report are Au, Yiu-Kwan and Hsin, Yu-Ting.

KPMG

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

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese.)

WEIKENG INDUSTRIAL CO., LTD.

Balance Sheets

December 31, 2025 and 2024

(expressed in thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note (6)(a))	$ 1,811,201	7	2,033,217	7
1110	Current financial assets at fair value through profit or loss (notes (6)(b) and (6)(l))	827	-	799	-
1170	Notes and accounts receivable, net (notes (6)(d) and (7))	9,102,716	34	8,797,093	31
1200	Other receivables (notes (6)(e) and (7))	1,635,877	6	1,506,251	5
1300	Inventories, net (note (6)(f))	5,759,943	21	8,011,230	28
1470	Prepaid expenses and other current assets	153,682	1	78,821	-
		18,464,246	69	20,427,411	71
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	88,553	-	88,833	-
1550	Investments accounted for using equity method, net (note (6)(g))	7,831,925	29	7,864,822	27
1600	Property, plant and equipment (note (6)(h))	110,866	1	115,498	-
1755	Right-of-use assets (notes (6)(i) and (7))	79,578	-	137,430	1
1780	Intangible assets	3,766	-	1,901	-
1840	Deferred tax assets (note (6)(p))	171,591	1	134,188	1
1900	Other non-current assets	21,888	-	23,413	-
		8,308,167	31	8,366,085	29
	Total assets	**$ 26,772,413**	**100**	**28,793,496**	**100**

		December 31, 2025		December 31, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note (6)(j))	$ 8,005,101	30	7,858,010	27
2120	Current financial liabilities at fair value through profit or loss (notes (6)(b) and (6)(l))	-	-	1,014	-
2130	Current contract liabilities (note (6)(t))	112,961	1	20,790	-
2170	Accounts payable (note (7))	2,873,701	11	4,894,886	17
2200	Other payables (notes (6)(k) and (7))	443,517	2	468,556	2
2230	Current tax liabilities	202,152	1	166,394	1
2280	Current lease liabilities (notes (6)(m) and (7))	62,921	-	62,430	-
2300	Other current liabilities	591,569	2	484,036	2
2320	Bonds payable, current portion (note (6)(l))	426,750	1	575,289	2
		12,718,672	48	14,531,405	51
	Non-current liabilities:				
2500	Non-current financial liabilities at fair value through profit or loss (note (6)(b))	25,250	-	29,000	-
2530	Bonds payable (note (6)(l))	2,280,799	8	2,224,804	8
2570	Deferred tax liabilities (note (6)(p))	982,359	4	973,239	3
2580	Non-current lease liabilities (notes (6)(m) and (7))	18,379	-	78,244	-
2640	Non-current net defined benefit liabilities (note (6)(o))	31,571	-	41,797	-
2670	Other non-current liabilities	199	-	199	-
		3,338,557	12	3,347,283	11
	Total liabilities	16,057,229	60	17,878,688	62
	Equity (note (6)(q))**:**				
3100	Common Stock	4,802,812	18	4,742,934	16
3200	Capital surplus	2,665,769	10	2,539,836	9
	Retained earnings:				
3310	Legal reserve	1,499,348	6	1,383,563	5
3320	Special reserve	-	-	12,354	-
3350	Unappropriated earnings	1,626,204	6	1,863,670	6
		3,125,552	12	3,259,587	11
	Other equity interest:				
3410	Exchange differences on translation of foreign financial statements	212,981	-	464,301	2
3420	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	(91,930)	-	(91,850)	-
		121,051	-	372,451	2
	Total equity	10,715,184	40	10,914,808	38
	Total liabilities and equity	**$ 26,772,413**	**100**	**28,793,496**	**100**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese.)

WEIKENG INDUSTRIAL CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(expressed in thousands of New Taiwan Dollars, except for earnings per share)

		2025		2024	
		Amount	**%**	**Amount**	**%**
4100	**Net sales revenue** (notes (6)(t) and (7))	$ 45,630,647	100	44,564,878	100
5000	**Cost of sales** (notes (6)(f) and (7))	44,135,158	96	42,044,807	94
	Gross profit	1,495,489	4	2,520,071	6
	Operating expenses (notes (6)(m), (6)(o), (7) and (12)):				
6100	Selling expenses	878,955	2	833,730	2
6200	Administrative expenses	314,400	1	310,511	1
6450	Expected credit losses (note (6)(d))	2,997	-	3,478	-
		1,196,352	3	1,147,719	3
	Net operating income	299,137	1	1,372,352	3
	Non-operating income and expenses:				
7100	Interest income (note (7))	74,009	-	24,391	-
7010	Other income (notes (6)(n) and (7))	569,963	1	433,355	1
7230	Foreign currency exchange gains, net (note (6)(v))	395,211	1	41,106	-
7235	Gains (losses) on financial assets (liabilities) at fair value through profit or loss, net (note (6)(l))	4,592	-	8,034	-
7375	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method (note (6)(g))	280,495	1	45,278	-
7050	Financial costs (notes (6)(l), (6)(m) and (7))	(523,145)	(1)	(487,067)	(1)
7590	Miscellaneous disbursements	(80)	-	(639)	-
		801,045	2	64,458	-
7900	**Profit before tax**	1,100,182	3	1,436,810	3
7950	**Less: Income tax expenses** (note (6)(p))	236,098	1	294,938	1
8200	**Profit**	864,084	2	1,141,872	2
	Other comprehensive income:				
8310	**Items that will not be reclassified to profit or loss**				
8311	Changes on remeasurements of defined benefit plans (note (6)(o))	2,352	-	19,976	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(80)	-	(43)	-
8349	Less: Income tax related to items that will not be reclassified to profit or loss (note (6)(p))	471	-	3,995	-
		1,801	-	15,938	-
8360	**Items that may be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(314,150)	(1)	481,060	1
8399	Less: Income tax related to items that will be reclassified to profit or loss (note (6)(p))	(62,830)	-	96,212	-
		(251,320)	(1)	384,848	1
	Other comprehensive income	(249,519)	(1)	400,786	1
8500	**Comprehensive income**	**$ 614,565**	**1**	**1,542,658**	**3**
	Earnings per ordinary share (expressed in New Taiwan dollars): (note (6)(s))				
9750	**Basic earnings per share**	**$ 1.81**		**2.56**	
9850	**Diluted earnings per share**	**$ 1.61**		**2.25**	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese.)

WEIKENG INDUSTRIAL CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(expressed in thousands of New Taiwan Dollars)

			Retained earnings			Other equity interest		
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Balance at January 1, 2024	$ 4,280,715	1,526,125	1,304,638	-	1,667,096	79,453	(91,807)	8,766,220
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	78,925	-	(78,925)	-	-	-
Special reserve appropriated	-	-	-	12,354	(12,354)	-	-	-
Cash dividends	-	-	-	-	(870,000)	-	-	(870,000)
	-	-	78,925	12,354	(961,279)	-	-	(870,000)
Profit for the year ended December 31, 2024	-	-	-	-	1,141,872	-	-	1,141,872
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	15,981	384,848	(43)	400,786
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	1,157,853	384,848	(43)	1,542,658
Issuance of convertible bonds	-	259,231	-	-	-	-	-	259,231
Conversion of convertible bonds	462,219	754,480	-	-	-	-	-	1,216,699
Balance at December 31, 2024	4,742,934	2,539,836	1,383,563	12,354	1,863,670	464,301	(91,850)	10,914,808
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	115,785	-	(115,785)	-	-	-
Cash dividends	-	-	-	-	(1,000,000)	-	-	(1,000,000)
Reversal of special reserve	-	-	-	(12,354)	12,354	-	-	-
	-	-	115,785	(12,354)	(1,103,431)	-	-	(1,000,000)
Profit for the year ended December 31, 2025	-	-	-	-	864,084	-	-	864,084
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	1,881	(251,320)	(80)	(249,519)
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	865,965	(251,320)	(80)	614,565
Share-based payments	-	32,227	-	-	-	-	-	32,227
Changes in ownership interests in subsidiaries	-	758	-	-	-	-	-	758
Conversion of convertible bonds	59,878	93,132	-	-	-	-	-	153,010
Others	-	(184)	-	-	-	-	-	(184)
Balance at December 31, 2025	**$ 4,802,812**	**2,665,769**	**1,499,348**	**-**	**1,626,204**	**212,981**	**(91,930)**	**10,715,184**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese.)

WEIKENG INDUSTRIAL CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(expressed in thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	$ 1,100,182	1,436,810
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	72,732	69,712
Amortization expenses	4,931	3,856
Expected credit losses	2,997	3,478
Net gains on financial assets or liabilities at fair value through profit or loss	(4,592)	(8,034)
Interest expenses	523,145	487,067
Interest income	(74,009)	(24,391)
Dividends income	-	(230)
Share-based payments	32,227	-
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(280,495)	(45,278)
Others	(182)	-
	276,754	486,180
Changes in operating assets and liabilities:		
Increase in accounts receivable	(308,620)	(1,560,792)
Decrease (increase) in other receivables	852,740	(1,032,795)
Decrease (increase) in inventories	2,251,287	(1,824,208)
Increase in prepayments and other current assets	(79,420)	(14,816)
	2,715,987	(4,432,611)
(Decrease) increase in accounts payable	(1,391,403)	74,286
(Decrease) increase in other payable	(14,969)	54,319
Increase in contract liabilities and other current liabilities	199,704	38,116
Decrease in net defined benefit liabilities	(7,874)	(8,094)
	(1,214,542)	158,627
Total changes in operating assets and liabilities	1,501,445	(4,273,984)
Total adjustments	1,778,199	(3,787,804)
Cash flows from (used in) operations	2,878,381	(2,350,994)
Interest received	33,818	24,010
Dividends received	-	230
Interest paid	(470,035)	(430,909)
Income taxes paid	(166,264)	(299,473)
Net cash flows from (used in) operating activities	2,275,900	(3,057,136)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(11,591)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	200	-
Acquisition of property, plant and equipment	(4,836)	(16,659)
Disposal of property, plant and equipment	166	-
Decrease (increase) in refundable deposits	4,559	(8,724)
Increase in other receivables to related parties	(941,250)	-
Acquisition of intangible assets	(6,196)	(4,897)
Increase in other prepayments	-	(270)
Net cash flows used in investing activities	(947,357)	(42,141)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term borrowings	(482,691)	2,176,290
Proceeds from issuing bonds	-	2,500,000
Repurchase of bonds	(3,045)	-
Payment of lease liabilities	(64,823)	(61,732)
Cash dividends paid	(1,000,000)	(870,000)
Net cash flows (used in) from financing activities	(1,550,559)	3,744,558
Net (decrease) increase in cash and cash equivalents	(222,016)	645,281
Cash and cash equivalents at beginning of period	2,033,217	1,387,936
Cash and cash equivalents at end of period	**$ 1,811,201**	**2,033,217**

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese.)

WEIKENG INDUSTRIAL CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

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

(1) Company history

Weikeng Industrial Co., Ltd. (the Company) was incorporated in Taiwan as a company limited by shares in January 1977 and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’ s registered office is 11F, No.308 Sec. 1, Neihu Rd., Neihu Dist., Taipei City. The major activities of the Company are the purchase and sale of electronic components and computer peripherals, technical service, and the import-export trade business. The Company’s common shares were listed on the Taiwan Stock Exchange (TSE).

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

The accompanying parent company only financial statements were authorized for issue by the Board of Directors on March 13, 2026.

(3) New standards, amendments and interpretations adopted:

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its financial statements:

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

WEIKENG INDUSTRIAL CO., LTD.
Notes to the Financial Statements

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

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

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

(Continued)

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

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

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

(4) Summary of material accounting policies

The material accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These annual financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Regulations).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on the historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value (including derivative financial instruments);

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation limited as explained in to note 4(n).

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operate. The financial statements are presented in New Taiwan Dollars, which is the Company’ s functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entity at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

· an investment in equity securities designated as at fair value through other comprehensive income;

· a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

· qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the functional currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the functional currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to noncontrolling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(Continued)

(d) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are reclassified as cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI)－debt investment; FVOCI－equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Company, therefore, those receivables are measured at FVOCI. However, they are included in the “ accounts receivables” line item.

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On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, which take into account any dividend and interest income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized costs, notes and accounts receivable, other receivable and guarantee deposit paid), accounts receivable measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

(Continued)

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Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

(Continued)

- it is probable that the borrower will enter bankruptcy or other financial reorganization; or

- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets, the Company recognizes the amount of expected credit losses (or reversal) in profit or loss.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

(Continued)

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss.

On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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(iii) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average-cost principle and includes expenditure incurred in acquiring the inventories, production or transition costs, and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less, the estimated costs of completion and selling expenses.

(h) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for using equity method in the parent-company-only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent-company-only financial statements are the same as those attributable to the owners of parent in the consolidated financial statements.

Changes in the Company's ownership of subsidiaries which have not resulted in the loss of control are treated as equity transactions with the owner.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

1) Buildings: 59 years

2) Transportation equipment: 5~6 years

3) Machinery equipment: 5~6 years

4) Office and other equipment: 2~7 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(j) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is assessed periodically and is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

1) fixed payments, including in-substance fixed payment;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(Continued)

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

1) there is a change in future lease payments arising from the change in an index or rate; or

2) there is a change of its assessment on whether it will exercise an extension or termination option; or

3) there is any lease modifications in lease subject, scope of the lease or other terms.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, including part of offices and transportation equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

(k) Intangible assets

(i) Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(Continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. Computer software costs are amortized, on the average, by 1to 5 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss shall be recognized immediately in profit or loss.

(m) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Sale of goods

The Company sells electronic components and computer peripherals to customers. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. 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, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

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The Company often offers commercial discounts and volume discounts to its customers. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A Refund liability is recognized for expected discounts payable to customers in relation to sales made at the end of the reporting period.

For certain contracts that permit a customer to return products, revenue would not be recognized for the products expected to be returned. In addition, the Company recognized a refund liability for these contracts and an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers on settling the refund liability.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of the present value of the economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. In order to calculate the present value of the economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realizable during the life of the plan, or on the settlement of the plan liabilities.

When the benefits of a plan are improved, the expense of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

Remeasurements of the net defined benefit liability (asset), which comprise (1) actuarial gains and losses, (2) the return on plan assets (excluding interest) and (3) the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company can reclassify the amounts recognized in other comprehensive income to retained earnings or other equity. If the amounts recognized in other comprehensive income are transferred to other equity, they shall not be reclassified to profit or loss or recognized in retained earnings in a subsequent period.

The Company recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets and the change in the present value of the defined benefit obligation.

(iii) Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(iv) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(o) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense, with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is re-measured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized as personnel expenses in profit or loss.

(p) Income Taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

The Company has determined that the global minimum top-up tax－which it is required to pay under Pillar Two legislation－ is an income tax in the scope of IAS 12. The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(Continued)

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The surtax on unappropriated earnings is recoded as current tax expense in the following year after the resolution to appropriate retained earnings is approved in a stockholders' meeting.

(q) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary equity holders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as convertible bonds, employee stock options granted and employee compensation.

(r) Operating segments

The operating segment information is disclosed within the consolidated financial statements but not disclosed in the parent company only financial statement.

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

In preparing these company financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

There are no critical judgments in applying accounting policies that have significant effect on amounts recognized in the financial statements.

(Continued)

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Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of economic uncertainty is as follows:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for normal consumption, obsolescence on unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to note (6)(f) for further description of the valuation of inventories.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	$ 134	134
Checking accounts and demand deposits	1,654,192	2,033,083
Time deposits	156,875	-
	$ 1,811,201	**2,033,217**

Please refer to note (6)(v) for the exchange risk, interest rate risk and the sensitivity analysis of the financial assets of the Company.

(b) Financial assets and liabilities at fair value through profit or loss

(i) The details of the financial assets and liabilities at fair value through profit or loss were as follows:

	December 31, 2025	December 31, 2024
Current financial assets at fair value through profit or loss:		
Non-derivative financial assets		
Stock listed on domestic markets	$ 740	799
Convertible bonds－embedded derivatives	87	-
Total	**$ 827**	**799**
Current financial liabilities at fair value through profit or loss:		
Convertible bonds－embedded derivatives	**$ -**	**1,014**
Non-current financial liabilities at fair value through profit or loss:		
Convertible bonds－embedded derivatives	**$ 25,250**	**29,000**

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As of December 31, 2025 and 2024, the Company did not provide any financial assets at fair value through profit or loss as collateral for its loans.

Please refer to note (6)(v) for credit risk and currency risk of financial assets of the Company.

(c) Non-current financial assets at fair value through other comprehensive income

		December 31, 2025	December 31, 2024
Debt investments at fair value through other comprehensive income:			
Overseas unlisted convertible promissory note	$	9,056	9,056
Equity investments at fair value through other comprehensive income:			
Domestic emerging market stocks		114	194
Domestic unlisted stocks		71,925	72,125
Overseas unlisted stocks		7,458	7,458
	$	**88,553**	**88,833**

(i) Debt investments at fair value through other comprehensive income

The Company has made an assessment that the debt invesment were held within a business model whose objective was achieved by both collecting contractual cash flows and selling financial assets. Therefore, they have been classified as financial assets at fair value through other comprehensive income.

(ii) Equity investments at fair value through other comprehensive income

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term strategic purposes.

There were no disposals of strategic investments, nor were there any transfers of any cumulative gain or loss within equity relating to these investments in the years ended December 31, 2025 and 2024.

(iii) The Company has fully received refunded capital of $200 from its investee company, Vision Wide Technology Co., Ltd. (VTEC), recognized as non-current financial assets at fair value through other comprehensive income, based on the resolution approved during VTEC' s shareholders' meeting held in 2025.

(iv) The investee company, Winsheng Material Technology Co., Ltd. (Winsheng Material), which was recognized as non-current financial assets at fair value through other comprehensive income, issued new shares for cash in the fourth quarter of 2024. The Company purchased newly issued shares of Winsheng Material amounting to $11,591, leading to an increase of the Company's shareholding in Winsheng Material from 1,400 thousand shares to 1,690 thousand shares.

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(v) For credit risk and market risk, please refer to note (6)(v).

(vi) As of December 31, 2025 and 2024, the Company did not provide any financial assets at fair value through other comprehensive income as collateral for its loans.

(d) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	$ 5,118	13,538
Accounts receivable－measured as amortized cost	6,127,359	7,335,017
Accounts receivable－fair value through other comprehensive income	3,031,102	1,506,404
	9,163,579	8,854,959
Less: Loss allowance	(60,863)	(57,866)
	$ 9,102,716	8,797,093

The Company has assessed a portion of its accounts receivable that was held within a business model whose objective is achieved by selling financial assets; therefore, such accounts receivable was measured at fair value through other comprehensive income.

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics of the customer's ability to pay all due amounts in accordance with contract terms, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The Company's loss allowance of notes and accounts receivable were determined as follows:

	December 31, 2025			
Credit rating	**Carrying amount**	**Expected credit loss rate**	**Loss allowance provision**	**Credit impaired**
Listed company (assessed by the Group)				
Level A	$ 6,290,746	0.53%	33,057	No
Level B	1,510,091	1.10%	16,642	No
Unlisted company	1,168,806	0.96%	11,164	No
Related-party－subsidiaries	193,936	-%	-	No
	$ 9,163,579		60,863	

WEIKENG INDUSTRIAL CO., LTD.
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Credit rating	December 31, 2024 Carrying amount	Expected credit loss rate	Loss allowance provision	Credit impaired
Listed company (assessed by the Group)				
Level A	$ 6,554,204	0.53%	34,698	No
Level B	1,043,616	1.08%	11,296	No
Unlisted company	1,049,858	1.13%	11,872	No
Related-party－subsidiaries	207,281	-%	-	No
	$ 8,854,959		57,866	

The aging analysis of the Company's notes and accounts receivable were determined as follows:

	December 31, 2025	December 31, 2024
Not past due	$ 9,057,195	8,752,068
Overdue 90 days or less	106,384	102,891
	$ 9,163,579	8,854,959

For the years ended December 31, 2025 and 2024, the movements in the allowance for notes and accounts receivable of the Company were as follows:

	2025	2024
Balance at January 1	$ 57,866	54,388
Impairment losses recognized	2,997	3,478
Balance at December 31	$ 60,863	57,866

The Company has entered into accounts receivable factoring agreements with banks. According to the factoring agreement, the Company does not bear the loss if the account debtor does not have the ability to make payments upon the transfer of the accounts receivable factoring. The Company has not provided other guarantee except for the promissory notes, which have the same amount with the factoring used as the guarantee for the sales return and discount. The Company received the proceeds from the discounted accounts receivable determined by agreement on the selling date. Interest is calculated and paid based on the duration and interest rate of the agreement, and the remaining amounts are received when the accounts receivable are paid by the customers. In addition, the Company has to pay a service charge based on a certain rate.

The Company derecognized the above trade receivables because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. The amounts receivable from the financial institutions were recognized as "other receivables" upon the derecognition of those trade receivables. As of December 31, 2025 and 2024, the information of accounts receivable sold without recourse was as follows:

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December 31, 2025						
Purchaser	**Amount Derecognized**	**Amount Paid**	**Advanced Unpaid**	**Amount Recognized in Other Receivables**	**Range of Interest Rate**	**Significant Transferring Terms**
Financial institutions	$ 2,400,314	2,157,961	-	242,353	4.48%~5.52%	None

December 31, 2024						
Purchaser	**Amount Derecognized**	**Amount Paid**	**Advanced Unpaid**	**Amount Recognized in Other Receivables**	**Range of Interest Rate**	**Significant Transferring Terms**
Financial institutions	$ 4,841,587	4,382,800	-	458,787	5.34%~6.68%	None

As of December 31, 2025 and 2024, the Company did not provide any receivables as collaterals for its loans.

Please refer to note (6)(v) for further credit risk information.

(e) Other receivables

	December 31, 2025	December 31, 2024
Other receivables－accounts receivable sold without recourse	$ 242,353	458,787
Other receivables－related parties	1,275,306	949,928
Tax refund receivables	87,828	60,041
Overdue receivables	22,237	22,237
Others	30,390	37,495
	1,658,114	1,528,488
Less: Loss allowance	(22,237)	(22,237)
	$ 1,635,877	**1,506,251**

As of December 31, 2025 and 2024, the Company did not provide any other receivables as collaterals for its loans.

For further credit risk information, please refer to note (6)(v) .

(f) Inventories

	December 31, 2025	December 31, 2024
Merchandise inventories	$ 5,350,604	6,078,426
Goods in transit	409,339	1,932,804
	$ 5,759,943	**8,011,230**

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The details of inventory-related losses and expenses were as follows:

	2025	2024
Inventory that has been sold	$ 44,067,158	42,044,807
(Reversal of) inventory valuation loss and obsolescence	65,034	(1,164)
Loss on disposal of inventory	2,966	1,164
	$ 44,135,158	**42,044,807**

The aforementioned gain from price recovery is due to the fact that part of the inventories previously recognized as loss on valuation have been sold or scrapped, resulting in the disappearance of the reason that the net realized value of the inventory is lower than the cost, the net realizable value recovery was recognized as the deduction of operating costs.

As of December 31, 2025 and 2024, the Company did not provide any inventories as collaterals for its loans.

(g) Investments accounted for using equity method

	December 31, 2025	December 31, 2024
Subsidiaries	$ 7,831,925	7,864,822

(i) For the financial statements of the subsidiaries, please refer to the consolidated financial statements.

(ii) For the years ended December 31, 2025 and 2024, the share of profits of the subsidiaries and associates recognized by the Company were $280,495 and $45,278, respectively.

(iii) As of December 31, 2025 and 2024, the Company did not provide any investments accounted for using equity method as collaterals for its loan.

(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2025 and 2024 were as follows:

	Land	Buildings and construction	Transportation equipment	Machinery equipment	Office and other facilities equipment	Total
Cost:						
Balance on January 1, 2025	$ 60,526	48,540	17,004	36,262	52,353	214,685
Additions	-	-	-	426	4,410	4,836
Disposals	-	-	(514)	(4,095)	(407)	(5,016)
Balance on December 31, 2025	**$ 60,526**	**48,540**	**16,490**	**32,593**	**56,356**	**214,505**
Balance on January 1, 2024	$ 60,526	48,540	7,864	30,196	73,359	220,485
Additions	-	-	9,040	6,303	1,316	16,659
Disposals	-	-	-	(423)	(22,322)	(22,745)
Transfer	-	-	100	186	-	286
Balance on December 31, 2024	**$ 60,526**	**48,540**	**17,004**	**36,262**	**52,353**	**214,685**

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		Land	Buildings and construction	Transportation equipment	Machinery equipment	Office and other facilities equipment	Total
Depreciation and impairment loss:							
Balance on January 1, 2025	$	-	23,547	7,104	18,726	49,810	99,187
Depreciation for the year		-	809	2,234	4,619	1,646	9,308
Disposals		-	-	(514)	(3,935)	(407)	(4,856)
Balance on December 31,2025	$	-	24,356	8,824	19,410	51,049	103,639
Balance on January 1,2024	$	-	22,738	5,789	15,093	70,737	114,357
Depreciation for the year		-	809	1,315	4,056	1,395	7,575
Disposals		-	-	-	(423)	(22,322)	(22,745)
Balance on December 31, ,2024	$	-	23,547	7,104	18,726	49,810	99,187
Carrying amount:							
Balance on December 31, 2025	$	60,526	24,184	7,666	13,183	5,307	110,866
Balance on January 1, 2024	$	60,526	25,802	2,075	15,103	2,622	106,128
Balance on December 31, 2024	$	60,526	24,993	9,900	17,536	2,543	115,498

For management purpose, the Company has leased its own office building and rented other office building for operation. The purpose of this leasing was not for earning rental income or capital appreciation, so it is classified as property, plant, and equipment.

As of December 31, 2025 and 2024, the Company did not provide any property, plant, and equipment as collaterals for its loans.

(i) Right-of-use assets

The cost and depreciation on leases for buildings and transportation equipment, which the Company as a lessee, were as follows:

		Buildings	Transportation equipment	Total
Cost:				
Balance on January 1, 2025	$	219,865	9,457	229,322
Additions		5,572	-	5,572
Reductions		(15,368)	-	(15,368)
Balance on December 31, 2025	$	210,069	9,457	219,526
Balance on January 1, 2024	$	215,610	6,090	221,700
Additions		63,328	3,367	66,695
Reductions		(59,073)	-	(59,073)
Balance on December 31, 2024	$	219,865	9,457	229,322

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		Buildings	Transportation equipment	Total
Accumulated depreciation:				
Balance on January 1, 2025	$	88,128	3,764	91,892
Depreciation		61,533	1,891	63,424
Reductions		(15,368)	-	(15,368)
Balance on December 31, 2025	$	**134,293**	**5,655**	**139,948**
Balance on January 1, 2024	$	86,899	1,929	88,828
Depreciation		60,302	1,835	62,137
Reductions		(59,073)	-	(59,073)
Balance on December 31, 2024	$	**88,128**	**3,764**	**91,892**
Carrying amount:				
Balance on December 31, 2025	$	**75,776**	**3,802**	**79,578**
Balance on January 1, 2024	$	**128,711**	**4,161**	**132,872**
Balance on December 31, 2024	$	**131,737**	**5,693**	**137,430**

(j) Short-term borrowings

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

		December 31, 2025	December 31, 2024
Unsecured loans	$	6,177,235	6,670,028
Supplier finance arrangements		629,782	-
Short-term notes and bills payable, net		1,198,084	1,187,982
	$	**8,005,101**	**7,858,010**
Unused short-term credit lines	$	**5,156,608**	**3,055,822**
Range of interest rates		**1.88%~4.80%**	**1.88%~5.76%**

(i) For information on the Company's interest risk, foreign currency risk and liquidity risk, please refer to note (6)(v) .

(ii) The Company did not provide any assets as collaterals for its loans.

(iii) Supplier finance arrangements

The Company participates in a supplier finance arrangement. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Company and the Company repays the bank at a later date. The principal purpose of this arrangement is to facilitate efficient payment process.

The Company has derecognized the original accounts payable related to the arrangement, as a legal release obtained pursuant to the non-recourse clause and the extension of payment terms. These liabilities were reclassified as unsecured loans under short-term borrowings. As of December 31, 2025, the aforementioned supplier financing arrangement was classified as a current liability under short-term borrowings.

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	December 31, 2025
Accounts payable of which suppliers have received payment from the bank	$ 629,782
Range of payment due dates	
Accounts payables	60 days after invoice date
Short-term borrowings－supplier financing arrangement	within 180 days from invoice date

Non-cash changes

There were no significant non-cash changes in the carrying amount of financial liabilities subject to supplier finance arrangements.

The payments to the bank are included within financing cash flows. For the year ended December 31, 2025, the payments of $629,782, made by the bank to the Company's supplier were deemed as non-cash transactions.

There were no supplier financing arrangement for the year ended December 31, 2024. For additional information about how these arrangements affect the Company's exposure to liquidity risk, please refer to note (6)(w).

(k) Other payables

	December 31, 2025	December 31, 2024
Accrued expenses	$ 135,118	116,538
Bonus payable	148,260	144,493
Remuneration to employees and directors	122,330	159,646
Interest payable	37,809	47,879
	$ 443,517	**468,556**

The accrued expenses include import and export fees, processing expense, professional services fees, pension, insurance, and payable for unused vacation time etc.

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(l) Convertible bonds payable

(i) Non-guaranteed convertible bonds:

	December 31, 2025	December 31, 2024
Aggregate principal amount	$ 4,500,000	4,500,000
Bond discount	(228,351)	(296,407)
Cumulative repurchased amount	(4,700)	(1,700)
Cumulative converted amount	(1,559,400)	(1,401,800)
	2,707,549	2,800,093
Less: Convertible bonds payable－could be repaid with one year	(426,750)	(575,289)
Bonds payable at end of period	**$ 2,280,799**	**2,224,804**
Embedded derivative－put and call options		
Included in current financial assets at fair value through profit or loss	**$ 87**	**-**
Included in current financial liabilities at fair value through profit or loss	**$ -**	**1,014**
Included in non-current financial liabilities at fair value through profit or loss	**$ 25,250**	**29,000**
Equity component－conversion options (included in capital surplus－conversion options)	**$ 284,145**	**293,325**

(ii) The Company issued the seventh and sixth domestic unsecured convertible bonds, with a face value of $2,500,000 and $2,000,000 on September 11, 2024, and June 1, 2022, respectively. The Company separated the convertible option from the liability and recognized it as equity and liability, respectively. The relevant information was as follows:

	The Seventh	The Sixth
The compound interest present values of the convertible bonds' face value at issuance	$ 2,212,250	1,860,200
The embedded derivative financial liabilities at issuance－put and call options	28,000	25,200
The equity components at issuance	259,750	114,600
The total amounts of the convertible bonds at issuance	**$ 2,500,000**	**2,000,000**

The equity components were recorded in capital surplus-conversion options. In accordance with IFRSs, the issue cost of the seventh and sixth domestic unsecured convertible bonds were allocated at $519 and $287, respectively, to the decrease of capital surplus-conversion options.

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(iii) There were no issuances, repurchases and repayments of bonds payable during the year ended December 31, 2025.

(iv) The effective interest rate of the sixth convertible bonds was 1.51%. The interest expenses on convertible bonds for the years ended 2025 and 2024 were $7,186 and $19,827, respectively.

(v) As the sixth convertible bonds have issued for three years, the bondholders may request the Company to repurchase the bonds. Therefore, based on the conservative principles, the sixth convertible bonds were recognized as current liabilities since June 1, 2024. However, it dose not indicate that the Company would repay all the liabilities within a year.

(vi) The effective interest rate of the seventh convertible bonds was 2.52%; while the interest expenses on convertible bonds for the years ended December 31, 2025 and 2024 were $55,994 and $16,979, respectively.

(vii) The net gain on the recognition of financial assets and liabilities for the years ended December 31, 2025 and 2024, amounted to $4,651 and $8,085, respectively.

(viii) The Company paid the amount of $3,045 to repurchase the convertible bonds, with a face value of $3,000 on June 2, 2025, resulting in a gain of $53 and a decrease in capital surplus of $184.

(ix) The main terms of issuance of the sixth convertible bonds were as follows:

1) Duration: five years (June 1, 2022 to June 1, 2027).

2) Interest rate: 0%

3) Redemption clause: The Company may redeem the bonds under the following circumstances:

a) Within the period between three months after the issuance date and 40 days before the end of duration, the Company may redeem the bonds at their principal amount if the closing prices of the Company' s common stock on the Taiwan Stock Exchange for a period of 30 consecutive trading days has been 30% more than the conversion price in effect on each such trading day.

b) If at least 90% of the principal amount of the bonds has been converted, redeemed, or purchased and cancelled, the Company may redeem the bonds at their principal amount within the period between three months after the issuance date and 40 days before the end of duration.

4) Redemption at the option of the bondholders:

The bondholders have the right to request the Company to repurchase the bonds at a price equal to the face value, plus, an accrued premium three and four years after the issuance date. The annual interest rates for the redemption are 0.5% both three and four years after the issuance date.

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5) Conversion clause:

a) Bondholders may request to have the bonds converted into the common stock of the Company in accordance with conversion clause from September 2, 2022 to June 1, 2027.

b) Conversion price: NTD34.27 per share. Starting from August 3, 2024 and August 17, 2025, the adjusted conversion price due to the distribution of 2023 and 2024 retained earnings for NTD26.45 and NTD24.84, respectively.

(x) The main terms of issuance of the seventh convertible bonds were as follows:

1) Duration: five years (September 11, 2024 to September 11, 2029).

2) Interest rate: 0%

3) Redemption clause: The Company may redeem the bonds under the following circumstances:

a) Within the period between three months after the issuance date and 40 days before the end of duration, the Company may redeem the bonds at their principal amount if the closing prices of the Company' s common stock on the Taiwan Stock Exchange for a period of 30 consecutive trading days has been 30% more than the conversion price in effect on each such trading day.

b) If at least 90% of the principal amount of the bonds has been converted, redeemed, or purchased and cancelled, the Company may redeem the bonds at their principal amount within the period between three months after the issuance date and 40 days before the end of duration.

4) Redemption at the option of the bondholders:

The bondholders have the right to request the Company to repurchase the bonds at a price equal to the face value in the third and fourth year after the issuance date.

5) Conversion clause:

a) Bondholders may request to have the bonds converted into the common stock of the Company in accordance with conversion clause from December 12, 2024 to September 11, 2029.

b) Conversion price: NTD36.67 per share. Starting from August 17, 2025, the adjusted conversion prices due to the distribution of 2024 retained earnings for NTD34.44.

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(m) Lease liabilities

The details of Company's lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Current	$ 62,921	62,430
Non-current	$ 18,379	78,244

For the maturity analysis, please refer to note (6)(v) of financial instruments.

The amounts recognized in profit or loss were as follows:

	2025	2024
Interest expenses on lease liabilities	$ 3,205	2,582
Expenses relating to short-term leases	$ 2,048	2,097

The amounts recognized in the statements of cash flows for the Company were as follows:

	2025	2024
Total cash outflow for leases	$ 70,076	66,411

(i) Real estate leases

The Company leases buildings for its office space and warehouses. The leases of office space typically run for a period of 2 to 6 years, and warehouses for 1 to 4 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases of office buildings contain extension or cancellation options exercisable by the Company before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Company and not by the lessors. In which leasee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Company leases transportation equipment typically run for 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Company leases transportation equipment and parking space with lease terms of one year. These leases are short-term. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

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(n) Operating lease－As a lessor

As of December 31, 2025 and 2024, the future minimum lease receivables under non-cancellable leases are as follows:

	December 31, 2025	December 31, 2024
Less than one year	$ 789	4,380
Between one and five years	363	790
	$ 1,152	**5,170**

For the years ended December 31, 2025 and 2024, the rental revenue under operating leases were $4,612 and $4,603, respectively.

The department office leases as combined leases of land and buildings. The Company has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

(o) Employee benefits

(i) Defined benefit plans

The present value of the defined benefit obligations and fair value of plan assets of the Company were as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	$ 180,750	176,668
Fair value of plan assets	(149,179)	(134,871)
Net defined benefit liabilities	**$ 31,571**	**41,797**

The Company makes defined benefit plan contributions to the pension fund account at the Bank of Taiwan that provides pensions for employees upon retirement. The plans entitle a retired employee to receive an payment based on years of service and average salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to $149,179 at the end of the reporting period. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Labor Pension Fund Supervisory Committee.

(Continued)

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2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Company were as follows:

		2025	2024
Defined benefit obligation at January 1	$	176,668	210,730
Current service costs and interest		3,181	3,190
Remeasurement in net defined benefit liability		7,274	(8,061)
Benefits paid		(6,373)	(29,191)
Defined benefit obligation at December 31	**$**	**180,750**	**176,668**

3) Movements of defined benefit plan assets

The movements in defined benefit plan assets for the Company were as follows:

		2025	2024
Fair value of plan assets at January 1	$	134,871	140,863
Contributions made		8,231	8,089
Expected return on plan assets		2,433	2,127
Remeasurement of the net defined benefit liability		9,626	11,915
Benefits paid		(5,982)	(28,123)
Fair value of plan assets at December 31	**$**	**149,179**	**134,871**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

		2025	2024
Current service costs	$	-	-
Net interest on net defined benefit liability		3,181	3,190
Expected return on plan assets		(2,433)	(2,127)
	$	**748**	**1,063**
Selling expenses	$	547	769
Administrative expenses		201	294
	$	**748**	**1,063**

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5) Actuarial assumptions

The following are the Company's principal actuarial assumptions:

	December 31, 2025	December 31, 2024
Discount rate	1.750 %	2.000 %
Future salary increases	3.000 %	3.000 %

The expected allocation payment made by the Company to the defined benefit plans for the one year period after the reporting date was $8,255.

The weighted-average duration of the defined benefit obligation is 10.41 years.

6) Sensitivity analysis

As of December 31, 2025 and 2024, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Impact on the defined benefit obligation	
	Increase 0.25%	Decrease 0.25%
December 31, 2025		
Discount Rate	$ (2,647)	2,738
Future salary increases	2,632	(2,561)
December 31, 2024		
Discount Rate	(2,824)	2,913
Future salary increases	2,811	(2,738)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2025 and 2024.

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of the Labor Insurance without additional legal or constructive obligations.

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The Company recognized the pension costs under the defined contribution method amounting to $25,402 and $24,698 for the years ended December 31, 2025 and 2024, respectively. Payment was made to the Bureau of Labor Insurance.

(p) Income taxes

(i) Income tax expenses

1) The components of income tax in the years 2025 and 2024 were as follows:

		2025	2024
Current tax expense			
Current period	$	203,465	275,337
Adjustment for prior periods		(1,443)	(1,371)
		202,022	273,966
Deferred tax expense			
Origination and reversal of temporary differences		34,076	20,972
Income tax expense	**$**	**236,098**	**294,938**

2) The amounts of income tax recognized in other comprehensive income for 2025 and 2024 were as follows:

		2025	2024
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement from defined benefit plans	**$**	**471**	**3,995**
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	**$**	**(62,830)**	**96,212**

3) The reconciliations of income tax and profit before tax for 2025 and 2024 were as follows:

		2025	2024
Profit before tax	$	1,100,182	1,436,810
Income tax using the Company’s legal tax rate		220,036	287,362
Net investment income and tax-exempt income		(469)	(249)
Surtax on undistributed earnings		2,721	-
Under (over) provision in prior periods and others		13,810	7,825
Income tax expense	**$**	**236,098**	**294,938**

(Continued)

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(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

The Company's deferred tax assets have not been recognized in respect of the following items:

	December 31, 2025	December 31, 2024
Tax effect of deductible temporary differences	$ **19,814**	**19,814**

The Company assessed that the income tax deductible items which can be offsetted with the taxable income are not probable to be utilized. Hence, such temporary differences are not recognized under deferred tax assets.

2) Recognized deferred tax assets and liabilities

The changes in the amount of deferred tax assets and liabilities for 2025 and 2024 were as follows:

	Bad debt expense over the tax limitation	Loss on valuation of inventory	Allowance for sales discount	Others	Total
Deferred tax assets:					
Balance at January 1, 2025	$ -	22,593	91,171	20,424	134,188
Recognized in profit or loss	-	13,006	25,798	(1,401)	37,403
Balance at December 31, 2025	$ **-**	**35,599**	**116,969**	**19,023**	**171,591**
Balance at January 1, 2024	$ 692	22,826	86,037	29,864	139,419
Recognized in profit or loss	(692)	(233)	5,134	(9,440)	(5,231)
Balance at December 31, 2024	$ **-**	**22,593**	**91,171**	**20,424**	**134,188**

	Temporary difference from subsidiary investment	Defined benefit plans	Exchange differences on translation	Others	Total
Deferred tax liabilities:					
Balance at January 1, 2025	$ 843,980	6,296	116,074	6,889	973,239
Recognized in profit or loss	55,630	-	-	15,849	71,479
Recognized in other comprehensive income	-	471	(62,830)	-	(62,359)
Balance at December 31, 2025	$ **899,610**	**6,767**	**53,244**	**22,738**	**982,359**
Balance at January 1, 2024	835,128	2,301	19,862	-	857,291
Recognized in profit or loss	8,852	-	-	6,889	15,741
Recognized in other comprehensive income	-	3,995	96,212	-	100,207
Balance at December 31, 2024	$ **843,980**	**6,296**	**116,074**	**6,889**	**973,239**

(Continued)

(iii) The Company's income tax returns have been examined and approved by the ROC's tax authorities until year 2023.

(iv) Global minimum top-up tax

The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

The Company and its group are subject to the global minimum top-up tax under Pillar Two because Taiwan, where the ultimate parent company (the Company) operates, has implemented the income inclusion principle effective January 1, 2025. Since the statutory tax rates in Hong Kong and Singapore, where the Company's subsidiaries operate, are 8.25%~16.5% and 17%, respectively, and are subject to the domestic minimum top-up tax effective January 1, 2025. The Company expects to be liable for additional current taxes. As of December 31, 2025, the current tax recognized in connection with the top-up tax amounts $0, with the Company being the taxpayer.

(q) Capital and other equities

As of December 31, 2025 and 2024, the total number of authorized ordinary shares were 900,000 thousand shares, with par value of NTD10 per share. The total value of authorized ordinary shares amounted to $9,000,000. As of that date, 480,281 thousand shares and 474,293 thousand shares of ordinary shares were issued, respectively. All issued shares were paid up upon issuance.

(i) Common stock

The Company issued 5,988 thousand and 46,222 thousand new ordinary shares, with a par value of NTD10 per share, amounting to $59,878 and $462,219, due to the conversion of convertible bonds for the years ended December 31, 2025 and 2024, respectively. The relevant statutory registration procedures have been completed.

(ii) Capital surplus

Balances on capital surplus of the Company were as follows:

	December 31, 2025	December 31, 2024
Additional paid in capital	$ 2,310,024	2,207,884
Treasury share transactions	37,650	37,662
Recognition of changes in ownership interests in subsidiaries	758	-
Donation from shareholders	712	712
Convertible bonds－conversion options	284,145	293,325
Employee share options	32,227	-
Others	253	253
	$ 2,665,769	**2,539,836**

(Continued)

For the years ended December 31, 2025 and 2024, the capital surplus deriving from those convertible bonds, which were converted to common stock, amounted to $93,132 and $754,480, respectively (including the capital surplus-conversion options transferred to the capital surplus additional paid-in capital of $9,008 and $72,275, respectively).

In accordance with the Company Act, realized capital surplus can be utilized for issuing new shares or being distributed as cash dividends only after offsetting losses. The aforementioned capital surplus includes share premiums and donation gains. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital surplus to be utilized for issuing new shares shall not exceed 10 percent of paid-in capital every year. Capital surplus increased by transferring from paid-in capital in excess of par value shall not be capitalized until the next fiscal year after the competent authority for company registrations approves registration of the capital increase.

(iii) Retained earnings

The Company's Article of Incorporation stipulate that the Company's earnings should first be estimated and retained to cover taxable contributions, losses, legal reserve, special reserve, or reversal of special reserve, and the remaining balance should be the distributable earnings for the current year; the Board of Directors may prepare a proposal for the distribution of earnings by combining the unappropriated earnings of the previous year. In accordance with the Company Act, if the distribution of earnings or reserves is to be made through the issuance of new shares, the Board of Directors shall prepare a proposal and submit it to the shareholders' meeting for resolution; if the distribution is to be made through the issuance of cash, the Board of Directors is authorized to report to the shareholders' meeting with the attendance of at least two-thirds of the directors and the resolution of a majority of the directors present. The Board of Directors shall determine the proportion of stock dividends and cash dividends to be distributed among the stockholders' dividends with reference to the Company's corporate profitability, future capital expenditure plans, expansion plans, capital planning, cash flow requirements, laws and regulations, and the degree of dilution of earnings per share, and shall prepare a resolution on the appropriation of earnings for submission to the shareholders' meeting for resolution, and the amount to be distributed shall be no less than 50% of the Company's distributable earnings for the current year, and with the amount proposed to be distributed in cash dividends to be no less than 20% of the total amount of the dividends to be distributed to the shareholders.

1) Legal reverse

When a company incurs no loss, it may, pursuant to a resolution by the shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of the legal reserve which exceeds 25% of capital may be distributed.

2) Special reverse

During earnings distribution, if the Company has already reclassified a portion of earnings to special reserve, it shall make supplemental allocation of special reserve for any difference between the amount of the current-period total net reduction of other shareholders' equity and the amount it has already allocated. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-

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period earnings and the undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified to special earnings reserve to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amounts for cash dividends of the Company's earnings distribution for 2024 and 2023 decided by the meeting of directors held on March 6, 2025 and April 18, 2024 were as follow:

	2024		2023	
	Amount per share (in dollars)	**Total amount**	**Amount per share (in dollars)**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash dividends	$ 2.084210	**1,000,000**	1.894890	**870,000**

Distribution for the earnings of 2025 was approved in the meeting of the Board of Directors held on March 13, 2026. The relevant information was as follows:

	2025	
	Amount per share (in dollars)	**Total amount**
Dividends distributed to ordinary shareholders:		
Cash dividends	$ 2.082114	**1,000,000**

The actual distribution rate will be recalculated based on the number of common shares outstanding as of the announcement date. For further information, please refer to the Market Observation Post System website.

(r) Share-based payment

Based on the resolution made by the Board of Directors on May 6, 2024 and the issuance rules of employee stock options reported on the annual shareholders' meeting held on June 20, 2024, the Company will issue a total of 10,000 units employee stock options, with each unit having the right to subscribe 1,000 shares of the Company's ordinary shares, and was reported to the Securities and Futures Bureau of the Financial Supervisory Commission on December 3, 2024. In light of the above matter, the Company proposes to either issue the options at once or several times, depending on the actual demand, within two years from the date of the effective notification obtained from the authorities, with the actual date of issuance to be determined by the Chairman of the Company. The Chairman of the Company has approved the issuance of 8,708 units of employee stock options on April 8, 2025.

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Details of the employee stock options are as follows:

(i) Employee stock option plan

	2025	
(in thousand)	Weighted average Exercise Price (Dollars)	Number of Options
Outstanding at January 1	$ -	-
Granted during the year	15	8,708
Forfeited during the year	15	(327)
Outstanding at December 31	14.1	**8,381**
Exercisable at December 31	14.1	**-**

(ii) Exercise Price: The exercise price was NTD15 per shares; after the adjustment for earnings distribution, the exercise price was NTD14.1 per share.

(iii) Rights Period:

1) The duration of the stock options is six years. The stock options and their rights may not be transferred, pledged, gifted, or otherwise disposed of, except in the case of inheritance. Upon expiration of the duration, any unexercised stock options will be deemed forfeited, and the option holders may no longer claim their rights.

2) Option holders may exercise their stock options according to the following schedule after two years from the grant date:

Vesting Period of Stock Options	Cumulative Exercisable Percentage
After 2 years	40%
After 3 years	60%
After 4 years	80%
After 5 years	100%

(iv) Fulfillment Method: The Company will issue new shares to fulfill the options.

(v) Exercise Procedure: The Company will handle the capital change registration with the competent authority after the Board of Directors sets the record date for the issuance of new shares at least quarterly, in accordance with the employee stock option issuance and exercise regulations.

(vi) The Company recognized expenses of $32,227 for the employee stock options granted to the employees of the Company in 2025. In addition, the capital surplus adjustment arising from employee stock options granted to the employees of the subsidiaries amounted to $758. The total capital surplus adjustment recognized was $32,985.

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(vii) The Company adopted the Black-Scholes model to compute the fair value of its stock options on the grant date as follow:

Initial exercise price (New Taiwan dollars)	15
Fair value per share of the Company's stock at the measurement date (New Taiwan dollars)	30
Time to maturity	6 years
Expected dividend yield	0%
Expected volatility	27.03%~27.92%
Risk-free interest rate	1.41%~1.47%
Expected life of the option	4~5.5 years
Weighted average fair value (New Taiwan dollars/unit)	16.3~16.9 New Taiwan dollars

(s) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share as of December 31, 2025 and 2024 was based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding as follows:

1) Profit attributable to ordinary shareholders of the Company

	2025	2024
Profit attributable to ordinary shareholders of the Company	$ 864,084	1,141,872

2) Weighted-average number of ordinary shares (thousands)

	2025	2024
Weighted-average number of ordinary shares	478,146	445,409

	2025	2024
3) Basic earnings per share (NTD)	$ 1.81	2.56

(ii) Diluted earnings per share

The calculation of diluted earnings per share as of December 31, 2025 and 2024 was based on profit attributable to ordinary shareholders of the Company, and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares calculated as follows:

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1) Profit attributable to ordinary shareholders of the Company (diluted)

		2025	2024
Profit attributable to ordinary shareholders of the Company (basic)	$	864,084	1,141,872
Convertible bonds payable		58,312	28,542
Profit attributable to ordinary shareholders of the Company (diluted)	$	**922,396**	**1,170,414**

2) Weighted-average number of ordinary shares (thousand, diluted)

	2025	2024
Weighted-average number of ordinary shares (basic)	478,146	445,409
Effect of convertible bonds	88,878	71,223
Effect of employee stock options	1,038	-
Effect of employee stock remuneration	3,847	4,372
Weighted-average number of ordinary shares (diluted) on December 31	**571,909**	**521,004**

		2025	2024
3) Diluted earnings per share (NTD)	$	**1.61**	**2.25**

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

		2025	2024
Primary geographical markets:			
Taiwan	$	14,493,680	12,730,536
China		12,674,461	11,610,318
Hong Kong		12,888,302	16,992,754
Others		5,574,204	3,231,270
	$	**45,630,647**	**44,564,878**
Major products/ services lines			
Chipset/ memory components	$	26,899,086	25,266,258
Mixed and other components		18,730,085	19,297,138
Others		1,476	1,482
	$	**45,630,647**	**44,564,878**

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(ii) Contract balance

		December 31, 2025	December 31, 2024	January 1, 2024
Notes and accounts receivable (included related parties)	$	9,163,579	8,854,959	7,294,167
Less: loss allowance		(60,863)	(57,866)	(54,388)
	$	9,102,716	8,797,093	7,239,779
Contract liabilities	$	112,961	20,790	22,230

For the details on accounts receivable and loss allowance, please refer to note (6)(d) .

The amounts of revenue recognized for the years ended December 31, 2025 and 2024 that were included in the contract liability balance at the beginning of the periods were $17,969 and $19,575, respectively.

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

(u) Remuneration to employees and directors

The Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Company Article of Incorporation, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 2.5% (in cash) of the remaining net profit shall be allocated as directors' remuneration, and 6% to 10% (in shares or in cash) as employee remuneration, including a minimum of 7% to those entrylevel employees. The distribution shall also include those employees of the Company's subsidiaries who meet certain requirements.

Prior to the amendment, the Articles of Incorporation stipulated that, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 2.5% (in cash) of the remaining net profit shall be allocated as directors' remuneration, and a minimum of 6% to 10% (in shares or in cash) as employee remuneration, including those employees of the Company's subsidiaries who meet certain requirements.

For the years ended December 31, 2025 and 2024, the accrued remuneration of the Company's employees (including the amount allocated to base-level employees) were $97,864 and $127,717, as well as directors were $24,466 and $31,929, respectively. These amounts were calculated by using the Company's profit before tax for the period before deducting the amount of remuneration to employees and directors, multiplied by the distribution ratio of remuneration to employees and directors under the Company's articles of Incorporation, and expensed under operating expenses. If the Board of Directors resolved to distribute employees' remuneration in the form of shares, the numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of the Board of Directors.

The amounts, as stated in the financial statements, are identical to those of the actual distributions for 2025 and 2024. Related information would be available at the Market Observation Post System website.

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(v) Financial Instruments

(i) Credit risk

1) Exposure to credit risk

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

2) Concentration of credit risk

Because the Company caters to a wide variety of customers and has a diverse market distribution, the Company does not concentrate in any single individual customer. Therefore, there is no significant credit risk of concentration in trade receivable. In order to reduce credit risk, the Company monitors the financial conditions of its customers regularly. However, the Company does not require its customers to provide any collateral.

3) Receivables

For credit risk exposure of notes and trade receivables, please refer to note (6)(d). The amount of other financial assets at amortized cost includes other receivables which had been impaired.

For the years ended December 31, 2025 and 2024, the movements in the allowance for other receivable of the Company, please refer to note (6)(e).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying Amount	Contractual cash flows	Within a year	Over 1 year
December 31, 2025				
Non-derivative financial liabilities				
Unsecured bank loans	$ 6,807,017	(6,882,987)	(6,882,987)	-
Short-term bills payable	1,198,084	(1,200,000)	(1,200,000)	-
Lease liabilities	81,300	(83,181)	(64,432)	(18,749)
Accounts payables	2,873,701	(2,873,701)	(2,873,701)	-
Other payables	443,517	(443,517)	(443,517)	-
Bonds payable (including current portion)	2,707,549	(2,935,900)	(435,900)	(2,500,000)
Derivative financial liabilities				
Convertible bonds payable－embedded derivatives	25,250	-	-	-
	$ 14,136,418	**(14,419,286)**	**(11,900,537)**	**(2,518,749)**

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		Carrying Amount	Contractual cash flows	Within a year	Over 1 year
December 31, 2024					
Non-derivative financial liabilities					
Unsecured loans	$	6,670,028	(6,755,176)	(6,755,176)	-
Short-term bills payable		1,187,982	(1,190,000)	(1,190,000)	-
Lease liabilities		140,674	(145,728)	(65,408)	(80,320)
Accounts payables		4,894,886	(4,894,886)	(4,894,886)	-
Other payables		468,556	(468,556)	(468,556)	-
Bonds payable (including current portion)		2,800,093	(3,096,500)	(596,500)	(2,500,000)
Derivative financial liabilities					
Convertible bonds payable－embedded derivatives		30,014	-	-	-
	$	16,192,233	(16,550,846)	(13,970,526)	(2,580,320)

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

(iii) Market risk

1) Currency risk

The Company’s significant financial assets and liabilities exposure to foreign currency risk was as follows:

	December 31, 2025			December 31, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 383,601	31.375	12,035,481	363,689	32.725	11,901,723
Financial liabilities						
Monetary items						
USD	222,012	31.375	6,965,627	279,081	32.725	9,132,926

2) Currency risk sensitivity analysis

The Company’ s monetary items exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A change of 5% in the exchange rate of NTD or USD against foreign currency for the years ended December 31, 2025 and 2024 would have increased (decreased) the net profit before tax as follows. The analysis is performed on the same basis for both periods.

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		December 31, 2025	December 31, 2024
USD (against the NTD)			
Appreciating 5%	$	253,493	138,440
Depreciating 5%		(253,493)	(138,440)

3) Exchange gains and losses of monetary items

As the Company deals in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the years ended December 31, 2025 and 2024, the foreign exchange gain, including both realized and unrealized, amounted to $395,211 and $41,106, respectively.

4) Equity market price risk

If the price of the fair value of equity instruments (including the stocks listed on domestic market at stock exchange (over-the-counter) market share, domestic emerging market stocks and domestic and foreign unlisted stocks) changed at the report date. (with the same analysis performed for both periods, assuming all other variable factors remain constant), it would have resulted in the change in the comprehensive income as illustrated below.

	2025		2024	
Securities prices at reporting date	**Other comprehensive income before tax**	**Net income before tax**	**Other comprehensive income before tax**	**Net income before tax**
Increasing 5%	$ 3,975	37	3,989	40
Decreasing 5%	$ (3,975)	(37)	(3,989)	(40)

(iv) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

		Carrying amount	
		December 31, 2025	December 31, 2024
Variable rate instruments:			
Financial assets	$	1,530,710	1,897,634
Financial liabilities		(6,807,017)	(6,670,028)

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The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is based on the assumption that the amount of assets and liabilities outstanding at the reporting date were outstanding throughout the year. The rate of change is expressed as the interest rate increase or decrease by 0.25% when reporting to management internally, which also represents the Company's management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.25%, the Company's net profit before tax would have decreased or increased by $13,191 and $11,931 for the years ended December 31, 2025 and 2024, respectively, which would be mainly resulting from demand deposits, and bank loans with variable interest rates.

(v) Fair value

1) Categories and the fair value of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

	December 31, 2025				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss					
Stocks listed on domestic markets	$ 740	740	-	-	740
Convertible bonds－embedded derivatives	87	-	87	-	87
Subtotal	827				
Financial assets at fair value through other comprehensive income					
Notes and accounts receivable, net	3,031,102	-	-	-	-
Emerging market stocks	114	114	-	-	114
Domestic and overseas unlisted stocks	79,383	-	-	79,383	79,383
Overseas unlisted convertible promissory note	9,056	-	-	9,056	9,056
Subtotal	3,119,655				

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	December 31, 2025				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,811,201	-	-	-	-
Notes and accounts receivable, net	6,071,614	-	-	-	-
Other receivables	1,548,049	-	-	-	-
Guarantee deposits (recognized under other current assets and other non-current assets)	69,289	-	-	-	-
Subtotal	9,500,153				
	$ 12,620,635				
Financial liabilities at fair value through profit or loss					
Convertible bonds－embedded derivatives	$ 25,250	-	25,250	-	25,250
Financial liabilities measured at amortized cost					
Short term borrowings	8,005,101	-	-	-	-
Lease liabilities	81,300	-	-	-	-
Accounts payable	2,873,701	-	-	-	-
Other payables	443,517	-	-	-	-
Bonds payable (including current portion)	2,707,549	-	2,718,550	-	2,718,550
Subtotal	14,111,168				
	$ 14,136,418				

	December 31, 2024				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss					
Stocks listed on domestic markets	$ 799	799	-	-	799
Financial assets at fair value through other comprehensive income					
Notes and accounts receivable, net	1,506,404	-	-	-	-
Emerging market stocks	194	194	-	-	194
Domestic and overseas unlisted stocks	79,583	-	-	79,583	79,583
Overseas unlisted convertible promissory note	9,056	-	-	9,056	9,056
Subtotal	1,595,237				

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WEIKENG INDUSTRIAL CO., LTD.
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	December 31, 2024				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 2,033,217	-	-	-	-
Notes and accounts receivable, net	7,290,689	-	-	-	-
Other receivables	1,446,210	-	-	-	-
Guarantee deposits (recognized under other current assets and other non-current assets)	73,848	-	-	-	-
Subtotal	10,843,964				
	$ 12,440,000				
Financial liabilities at fair value through profit or loss					
Convertible bonds－embedded derivatives	$ 30,014	-	30,014	-	30,014
Financial liabilities measured at amortized cost					
Short term borrowings	7,858,010	-	-	-	-
Lease liabilities	140,674	-	-	-	-
Accounts payable	4,894,886	-	-	-	-
Other payables	468,556	-	-	-	-
Bonds payable (including current portion)	2,800,093	-	2,777,522	-	2,777,522
Subtotal	16,162,219				
	$ 16,192,233				

There were no transfers of financial instruments between any levels for the years ended December 31, 2025 and 2024.

2) Valuation techniques for financial instruments not measured at fair value

The Company’s valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

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3) Valuation technique of financial instruments measured at fair value

a) Non-derivative financial instruments

If the financial instrument has a public quoted price in an active market, the public quoted price will be determined as the fair value. The measurements on fair value of the financial instruments without an active market are determined using the valuation technique or the quoted market price of its counterparty. Fair value measured using the valuation technique can be extrapolated from similar financial instruments, discounted cash flow method, or other valuation techniques which include the model used in calculating the observable market data at the balance sheet date.

The Company holds the unquoted equity investments and debt instruments that do not have an active market. The fair value of unquoted equity instruments and debt instruments is estimated using the guideline public company method. The main assumptions of the method are based on the guideline public company's price to sales ratio, price to net worth ratio, and the discount for lack of market liquidity. The estimation has been adjusted by the effect resulting from the discount of the lack of market liquidity of the equity securities and debt investments.

b) Derivative financial instruments

Measurement of fair value of derivative instruments is based on the valuation techniques that are generally accepted by the market participants. For instance, discount method or option pricing models. Fair value of forward currency exchange is usually determined by using the forward currency rate.

4) Reconciliations of Level 3 fair values

	Fair value through other comprehensive income		
	Unquoted equity instruments	**Unquoted debt investments**	**Total**
Opening balance, January 1, 2025	$ 79,583	9,056	88,639
Capital refunded	(200)	-	(200)
Ending Balance, December 31, 2025	**$ 79,383**	**9,056**	**88,439**
Opening balance, January 1, 2024	$ 67,992	9,056	77,048
Purchases	11,591	-	11,591
Ending Balance, December 31, 2024	**$ 79,583**	**9,056**	**88,639**

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value are classified as financial assets at fair value through other comprehensive income (including investments in equity securities and debt instruments).

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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationships between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income	Guideline Public Company method	· Price-book ratio as of December 31, 2025 and 2024 were 1.50~1.51 and 1.54~1.91, respectively.	· The higher the price book ratio, the higher the fair value
		· Market liquidity discount rate as of December 31, 2025 and 2024 were 15.60%.	· The higher the market liquidity discount rate, the lower the fair values
Financial assets at fair value through other comprehensive income	Net Asset Value Method	· Net asset value	· Not applicable

(w) Financial risk management

(i) Briefings

The Company is exposed to the following risks arising from financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

In this note expressed the information on risk exposure and objectives, policies and procedures of risk measurement and management. For detailed information, please refer to the related notes of each risk.

(ii) Structure of risk management

The Company’ s finance department provides business services for the overall internal departments. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations. The Company minimizes the risk exposure through derivative financial instruments. The Board of Directors regulated the use of derivative and non-derivative financial instruments in accordance with the Company’ s policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company’ s policies and the risk management policies and procedures. The Company has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(Continued)

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

1) Accounts receivable and other receivables

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, and these limits are reviewed periodically. The customers evaluated as low credit rating by the Company only have prepayment transactions with the Company.

Trade and other receivables mainly relate to a wide range of customers from different industries and geographic regions. The Company continued to assess the financial condition and credit risk of its customers, by grouping trade and other receivables based on their characteristics and will purchase credit guarantee insurance contracts if necessary.

Because the Company caters to a wide variety of customers and has a diverse market distribution, the Company does not concentrate in any single individual customer. Therefore, there is no significant credit risk of concentration in trade receivable. In order to reduce the credit risk, the Company monitors the financial conditions of its customers regularly. However, the Company does not require its customers to provide any collateral.

2) Investments

The credit risks exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Company's finance department. Since the Company' s transaction counterparties and the contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore, no significant credit risk. The finance department evaluates the counterparty's credit condition when investing in bond investment without an active market, and do not expect to have any significant credit risk.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company participates in a supplier finance arrangement with the principal purpose of facilitating efficient payment processing of supplier invoices. The arrangement allows the Company to centralise payments of trade payables to the bank rather than paying each supplier individually.

(Continued)

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

Borrowings from the banks and accounts receivable factoring are important sources of liquidity for the Company. For detailed information on short-term borrowings and accounts receivable factoring on December 31, 2025 and 2024, please refer to note (6)(d) and note (6)(j).

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of the Company, primarily the USD, CNY and HKD.

When short-term assets and liabilities denominated in a foreign currency are unbalanced, the Company uses exchange rate to buy or sell about foreign currency to ensure that the net risk is maintained at an acceptable level.

2) Interest rate risk

As the Company's borrowings position are based on USD and NTD, the Company's capital cost will result in an decrease (increase) when Federal Reserve ("Fed") and Central Bank of the Republic of China (Taiwan) decrease (increase) the interest rate of USD and NTD. The Company adjusts the proportion of the USD and NTD borrowings to minimize the cost of capital, in order to reduce interest rate risk to an acceptable level.

3) Other price risk

The Company exposes to the risk of listed stock investments and open-end mutual funds due to the fluctuation of market price.

(x) Capital management

The policy of the Board of Directors is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, capital surplus, and retained earnings.

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The Company monitors the capital structure by way of periodical review on the liability ratio. As of December 31, 2025 and 2024 the liability ratios were as follows:

	December 31, 2025	December 31, 2024
Total liabilities	$ 16,057,229	17,878,688
Total assets	26,772,413	28,793,496
Liability ratio	60 %	62 %

As of December 31, 2025, there were no changes in the Company's approach to capital management.

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

The Company's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2025 and 2024, were as follows:

(i) For the acquisition of right-of-use assets from leases, please refer to note (6)(i).

(ii) For conversion of convertible bonds to ordinary shares, please refer to note (6)(l).

The reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes			
	January 1, 2025	Cash flows	Acquisition	Reduction	Foreign exchange movement	December 31, 2025
Short-term borrowings	$ 7,858,010	(482,691)	629,782	-	-	8,005,101
Deposits received	199	-	-	-	-	199
Lease liabilities	140,674	(64,823)	5,572	-	(123)	81,300
Bonds payable	2,800,093	(3,045)	-	(89,499)	-	2,707,549
Total liabilities from financing activities	**$ 10,798,976**	**(550,559)**	**635,354**	**(89,499)**	**(123)**	**10,794,149**

			Non-cash changes			
	January 1, 2024	Cash flows	Acquisition	Reduction	Foreign exchange movement	December 31, 2024
Short-term borrowings	$ 5,681,720	2,176,290	-	-	-	7,858,010
Deposits received	199	-	-	-	-	199
Lease liabilities	135,567	(61,732)	66,695	-	144	140,674
Bonds payable	1,768,116	2,500,000	-	(1,468,023)	-	2,800,093
Total liabilities from financing activities	**$ 7,585,602**	**4,614,558**	**66,695**	**(1,468,023)**	**144**	**10,798,976**

(Continued)

(7) Related-party transactions

(a) Name and relationship with related parties

The following are entities that have had transactions with the Company and its Subsidiaries during the period covered in the financial report were as follows:

Related-party	Relationship
Weikeng International Co., Ltd. (WKI)	Subsidiary
Weikeng Technology Co., Ltd. (WKZ)	Subsidiary
Weikeng Technology Pte. Ltd. (WTP)	Subsidiary
Weikeng International (Shanghai) Co., Ltd. (WKS)	Subsidiary
Weitech International Co., Ltd. (Weitech)	Subsidiary
SiUltra Electronic Technology (Shanghai) Co., Ltd. (SiU)	Subsidiary
Weiji Investment Co., Ltd.	The same chairman
Genlog Industrial Co., Ltd. (Note 1)	Substantial related-party

Note 1: Guangluo Industrial Co., Ltd. completed its liquidation process on September 27, 2024.

(b) Significant transactions with related parties

(i) Sale of goods to related parties

The amounts of significant sales transactions between the Company and related parties were as follows:

	2025	2024
Subsidiaries	$ 557,682	593,415

There was no significant difference in the pricing on sales to related parties and general customers, except for the sales to the subsidiaries, whose prices are based on the price, plus, cost. The collection period for certain subsidiaries is based on their accounts receivable which depend on OA30 days after offsetting the accounts payable generated from their purchase and sales; and the collection period for other related parties ranges from 30 to 60 days after delivery.

(ii) Purchase of goods from related parties

The amounts of significant purchase transactions between the Company and related parties were as follows:

	2025	2024
Subsidiaries	$ 301,238	119,331

There was no significant difference in pricing on purchase from related parties and general suppliers, except for the purchase from subsidiaries, whose prices are based on the purchase, plus, cost. The payment period for certain subsidiaries is based on their accounts payable which depend on OA30 days after offsetting the accounts receivable generated from their purchase and sales; and the payment period for other related parties ranges from 30 to 60 days after the arrival date.

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(iii) Consultancy fees from related parties

Other related parties were commissioned to provide consulting services to the Company. For the years ended December 31, 2025 and 2024, the amounts were as follows:

	2025	2024
Other related parties	$ 200	200

(iv) Lease

The Company leased a portion of its building to its subsidiaries and related parties for office use purpose. The rentals is collected monthly. The details were as follows:

	2025	2024
Subsidiaries	$ 23	23
Other related parties	171	175
	$ 194	198

The Company signed a 3 year lease contract with its subsidiaries to lease the office and warehouse, at a total value of the $47,977 for the years ended December 31, 2025 and 2024, and the interest expenses of $1,894 and $390, respectively. As of December 31, 2025 and 2024, the balance of lease liability amounted to $27,329 and $42,881, respectively.

(v) Management and credit service income

As of December 31, 2025 and 2024, the management and credit service income incurred by the Company from its subsidiaries amounted to $563,632 and $427,687, respectively, from its subsidiaries, recognized in non-operating income－other.

(vi) Receivables from related parties

Due to the aforementioned transactions and other collection and payment activities, the Company has generated receivables as follows:

Account	Related party categories	December 31, 2025	December 31, 2024
Notes and accounts receivable	Subsidiaries	$ 193,936	207,281
Other receivables	Subsidiaries－WKI	285,368	943,253
Other receivables	Subsidiaries	9,036	6,675
		$ 488,340	1,157,209

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(vii) Payable to related parties

Account	Related party categories	December 31, 2025	December 31, 2024
Accounts payable	Subsidiaries	$ 185	-
Other payables	Subsidiaries	53	-
		$ 238	**-**

(viii) Loans to related parties

The loans to related parties (including interest receivable) were as follow:

Account	Related party categories	December 31, 2025	December 31, 2024
Other receivable	Subsidiaries－WKI	**$ 980,902**	**-**

The Company has granted loans to related parties at an interest rate ranging from 5.04% to 5.50%. All the loans were unsecured, and the Company had assessed that no provisions of loss allowance should be recognized. The interest income for the year ended December 31, 2025 amounted to $39,713, and the amount of other receivable to related parties was $39,652 as of December 31, 2025.

(ix) Guarantee

About information of the Company's guarantees and endorsements, please refer to note (13).

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2025	2024
Short-term employee benefits	$ 126,704	140,335
Post-employment benefits	872	760
	$ 127,576	**141,095**

(8) Assets pledged as security : None.

(9) Significant commitments and contingencies:

The balance of L/Cs for deferred payment of import value added tax and the purchase of merchandise were as follows:

December 31, 2025	December 31, 2024
$ 390,125	**404,975**

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

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(12) Other:

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

By item / By function	2025	2024
	Operating expense	**Operating expense**
Employee benefits		
Salary	730,354	704,014
Labor and health insurance	50,798	47,363
Pension	26,150	25,761
Remuneration of directors	24,466	31,929
Others	42,709	41,752
Depreciation	72,732	69,712
Amortization	4,931	3,856

(b) For the years ended December 31, 2025 and 2024, the information on the number of employees and employee benefit expense of the Company is as follows:

	2025	2024
Number of employees	495	488
Number of directors who were not employees	5	5
The average employee benefit	$ 1,735	1,695
The average salaries and wages	$ 1,491	1,458
The adjustment of the average salaries and wages adjustment	2.26 %	
Remuneration for supervisors	$ -	-

(c) The Company's salary and remuneration policy (including directors, managers and employees) are as follows:

(i) Remuneration paid to employees and executive officers consists of fixed salary, variable remuneration, employee remuneration, and other incentives:

1) Fixed salary (including base pay, duty allowance, and meal allowance) is determined based on factors such as the employee's or executive officer's education, experience, skills, degree of responsibility for risk decision-making, contribution to the Company, typical pay levels adopted by peer companies, and the professional competencies required for participating in sustainability.

2) Variable remuneration is determined at the discretion of the Chairman and the President/ CEO, based on the Company's operating profitability, employee performance, or other relevant factors. Recipients must be employees who remain employed and are not in their probationary period at the time of payment.

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a) Business performance incentives are primarily granted to business and technical application engineering personnel. When awarding incentives based on product operating performance and personal performance, considerations relating to sustainability should also be incorporated, including aspects of business opportunity acquisition and performance creation linked to digital transformation, green energy conservation, carbon reduction, and other sustainability objectives.

b) The year-end bonus is reserved based on the achievement rate of the budget profit target. Prior to distribution, employees and executive officers are subject to a comprehensive assessment that includes personal performance appraisal (including efforts related to sustainability), education, experience, skills, degree of responsibility for risk decision-making, contribution to the Company under ethical corporate management, typical pay levels adopted by peer companies, and responsibilities undertaken in promoting sustainability and their related performance contributions.

3) Employee remuneration is appropriated annually in accordance with the Company’ s Articles of Incorporation. Eligible recipients must have served throughout the fiscal year for which the remuneration is allocated and must have no record of misconduct. The evaluation procedures for distribution are the same as those described in item B regarding the year-end bonus.

4) Other incentives, including but not limited to employee stock warrants, employee subscriptions to new shares through cash capital increases, transfers of treasury shares to employees, employee stock ownership trusts, and restricted employee shares, shall comply with applicable laws and regulations and shall be administered in accordance with the separate rules established by the Company for each specific incentive program.

(ii) The Company compensates directors with remuneration appropriated in accordance with Article 22 of the Company’s Articles of Incorporation, as well as business execution fees for attending meetings. The Company distributes remuneration to directors based on the “Rules for Remuneration Management of Directors and Executive Officers” and the “Rules for Board of Directors Performance Evaluation”.

(iii) The Company’ s cautiously evaluates the payments of salary and remuneration. The remuneration and salary of managers and directors shall be approved by the Salary and Remuneration Committee and the Board of Directors.

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(13) Other disclosures:

(a) Information on significant transaction:

The following were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2025:

(i) Lending to other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of lender	Name of borrower	Account name	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral: Item	Collateral: Value	Individual funding loan limits	Maximum limit of fund financing
0	The Company	WKI	Other receivable	1,000,000	1,000,000	941,250	5.04%~5.50%	Short-term financing	-	Operating demand	-		-	2,143,036	4,286,073

Note 1: The total amount of funds loaned to others by the Company shall not exceed 40% of the net worth of the Company's latest financial statement. When a short-term financing facility with the Company is necessary, the total amount for lending to any company shall not exceed 20% of the net worth of the Company's latest financial statement.

(ii) Guarantees and endorsements for other parties:

(In thousands of new Taiwan dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the Company	Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary (note 2)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company (note 2)	Endorsements/ guarantees to third parties on behalf of companies in Mainland China (note 2)
0	The Company	WKI	100% owned subsidiary	16,072,776	11,141,200	10,976,500	7,544,463	-	102.44 %	32,145,552	Y	N	N
〃	〃	WTP	100% owned subsidiary	16,072,776	1,507,200	1,506,000	431,143	-	14.05 %	32,145,552	Y	N	N
〃	〃	WKS	100% owned subsidiary	16,072,776	4,342,652	4,056,764	2,692,306	-	37.86 %	32,145,552	Y	N	Y

Note 1: The total amount of the guarantee provided by the Company shall not exceed three hundred percent (300%) of the higher amount between the Company's capital amount and net worth. However, for any individual entity whose voting shares are 50% or more owned, directly or indirectly, by the Company shall not exceed fifty percent (50%) of the maximum amount for guarantee on recent audited or reviewed financial statements.
Note 2: For those entities as the guarantor to the subsidiary, subsidiary as the guarantor to the company, or the guarantor that located in China, please fill in "Y".

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(iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(Shares/units (thousands))

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying amount	Percentage of ownership (%)	Fair value	
The Company	EBM Technologies Inc.	-	Current financial assets mandatorily measured at fair value through profit or loss	34	740	- %	740	
〃	Clientron Corp.	-	Non-current financial assets at fair value through other comprehensive income	15	114	0.02 %	114	
〃	Paradigm I Venture Capital Company (Paradigm I)	-	〃	750	7,458	6.79 %	7,458	
〃	Paradigm Venture Capital Corporation (PVC Corp.)	-	〃	230	2,301	10.49 %	2,301	
〃	InnoBridge Venture Fund ILP. (InnoBridge)	-	〃	-	-	9.90 %	-	
〃	Shin Kong Global Venture Capital Corp. (SKGVC)	-	〃	720	7,200	12.00 %	7,200	
〃	Vision Wide Technology Co., Ltd. (VTEC)	-	〃	800	8,833	1.57 %	8,833	
〃	Winsheng Material Technology Co., Ltd. (Winsheng Material)	-	〃	1,690	53,591	5.08 %	53,591	
〃	SiTune Corporation Convertible Promissory Note (SiTune)	-	〃	-	9,056	- %	9,056	

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

(In thousands)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchases/ (Sales)	Amount	Percentage of total purchases/ (sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	WKI	100% owned subsidiary	(Sales)	(179,597) (USD(5,672))	(0.39)%	OA30	No significant difference with other customers	No significant difference with other customers	19,436 (USD619)	0.21 %	
〃	〃	100% owned subsidiary	Purchases	290,760 (USD9,210)	0.69 %	〃	No significant difference with other suppliers	No significant difference with other suppliers	(87) (USD(3))	- %	
The Company	WTP	100% owned subsidiary	(Sales)	(371,087) (USD(12,006))	(0.81)%	〃	No significant difference with other customers	No significant difference with other customers	172,822 (USD5,508)	1.90 %	
WTP	The Company	Parent company	Purchases	371,087 (USD12,006)	18.13 %	〃	No significant difference with other suppliers	No significant difference with other suppliers	(172,822) (USD(5,508))	(32.65) %	
WKI	The Company	Parent company	Purchases	179,597 (USD5,672)	0.35 %	〃	No significant difference with other suppliers	No significant difference with other suppliers	(19,436) (USD(619))	(0.41) %	
〃	〃	Parent company	(Sales)	(290,760) (USD(9,210))	(0.55)%	〃	No significant difference with other customers	No significant difference with other customers	87 (USD3)	- %	
WKI	WKS	Subsidiary	(Sales)	(5,392,214) (USD(172,955))	(10.32)%	OA60	No significant difference with other customers	No significant difference with other customers	895,967 (USD28,557)	11.07 %	

(Continued)

WEIKENG INDUSTRIAL CO., LTD.
Notes to the Financial Statements

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchases/ (Sales)	Amount	Percentage of total purchases/ (sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
WKS	WKI	Parent company	Purchases	5,392,214 (USD172,955)	35.25 %	〃	No significant difference with other suppliers	No significant difference with other suppliers	(895,967) (USD(28,557))	(58.32) %	

(v) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

(In thousands)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note)	Allowance for bad debts	Note
					Amount	Action taken			
The Company	WKI	100% owned subsidiary	Other receivable 1,266,270 (USD40,359)	Note 2	-	-	USD35,712	-	
The Company	WTP	100% owned subsidiary	Account receivable 172,822 (USD5,508)	3.79	-	-	USD1,486	-	
WKI	WKS	Subsidiaries	Account receivable 895,967 (USD28,557)	9.59	-	-	USD25,704	-	

Note 1: Information as of March 6, 2026.
Note 2: Other receivables arising from lending fund and credit and service management revenue received from subsidiaries.

(b) Information on investments:

The following are the information on investees for the year ended December 31, 2025 (excluding information on investments in Mainland China):

(In thousands)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Highest			Net income (losses) of investee	Investment income (losses) of investor	Note
				December 31, 2025	December 31, 2024	Shares (In Thousands)	Percentage of Ownership	Carrying amount			
The Company	WKI	Hong Kong	Electronic components computer peripherals products distribution and technical support	$ 1,620,445	1,620,445	552,450	100%	7,331,990	273,126	273,126	Subsidiary
〃	WKZ	Taiwan	Electronic components and technical support	12,983	12,983	1,589	100%	30,151	2,346	2,346	〃
〃	WTP	Singapore	〃	293,327	293,327	12,413	100%	469,784	5,023	5,023	〃
	Total			$ 1,926,755	1,926,755			7,831,925		280,495	
WKI	Weitech	Hong Kong	Import and export trade of electronic components	0.41 (HKD0.1)	0.41 (HKD0.1)	-	100%	3,578 (USD114)	329 (USD11)	329 (USD11)	〃

WEIKENG INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(c) Information on investment in mainland China:

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

(In thousands)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (losses) of the investee (Note 2)	Percentage of ownership	Investment income (losses) of investor (Note 2)	Book value (Note 3)	Accumulated remittance of earnings in current period
					Outflow (Note 3)	Inflow						
WKS	Electronic components computer peripherals products distribution and technical support	786,647 (USD25,000)	Note 1, 4	304,594 (USD9,800)	-	-	304,594 (USD9,800)	(106,266) (USD(3,408))	100%	(106,266) (USD(3,408))	462,301 (USD14,735)	-
SiU	Electronic technology development and technical advisory	5,067 (CNY1,000)	Note 1, 5	-	-	-	-	255 (USD8)	100%	255 (USD8)	7,716 (USD246)	-

(ii) Upper limit on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA (note 3)	Upper Limit on Investment
304,594 (USD9,800)	784,375 (USD25,000)	6,429,110

Note 1: Investment in Mainland China was through a company in the third area.

Note 2: The investment gains and losses of the current period are recognized according to the financial statements, which have been reviewed by the Company's independent auditors, and were translated into New Taiwan Dollars at the average exchange rates.

Note 3: The currency was translated into New Taiwan Dollars at the exchange rate of USD 1 to NTD 31.375 at the end of reporting period.

Note 4: The difference was due to Weikeng International Co. Ltd.'s investment of USD15,200 thousand on Weikeng International (Shanghai) Co. Ltd. using its own funds.

Note 5: The difference was due to Weikeng International (Shanghai) Co. Ltd.'s investment of CNY1,000 thousand on SiUltra Electronic Technology (Shanghai) Co., Ltd. using its own funds.

(iii) Significant transactions:

Please refer to Information on significant transactions for the information on significant direct or indirect transactions, which were eliminated in the preparation of consolidated financial statements, between the Group and the investee companies in Mainland China in 2025.

(14) Segment information:

Please refer the consolidated financial statements.

WEIKENG INDUSTRIAL CO., LTD.

Statement of cash and cash equivalents

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		$ 134
Checking accounts and demand deposits		204,579
Foreign currency in banks	Foreign currency (USD46,059 thousands、HKD763 thousands and CNY317 thousands)	1,449,613
Time deposits	Foreign currency (USD5,000 thousands)	156,875
		$ 1,811,201

Note：Exchange rate: USD/ NTD 31.375; HKD/ NTD4.032; CNY/ NTD4.491.

Statement of notes and accounts receivable

Customer names	Description	Amount
Notes receivable	Revenue from non-related parties	$ 5,118
Accounts receivable		
Related Parties：		
Others (Note)	Revenue from related parties	193,936
Non-related parties：		
TC117	Revenue from non-related parties	725,188
TC159	〃	561,924
Others (Note)		7,677,413
		9,158,461
Less: Loss allowance		60,863
		9,097,598
Notes and accounts receivable, net		**$ 9,102,716**

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

WEIKENG INDUSTRIAL CO., LTD.

Statement of inventories

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net realizable value
Merchandise inventories	$ 5,350,604	5,863,942
Goods in transit	409,339	423,209
	$ 5,759,943	**6,287,151**

Note：The market price of inventories was determined by the net realizable value.

WEIKENG INDUSTRIAL CO., LTD.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

	Opening balance		Increase (Note)		Decrease		Recognized profit (loss)	Ending balance			2025.12.31	Provided
Company name	Shares	Amount	Shares	Amount	Shares	Amount	Amount	Shares	Percentage of ownership	Amount	Market price or net value	guarantee or pledge
WKI	552,450	$ 6,796,643	-	-	-	-	273,126	552,450	100 %	7,069,769	7,331,990	None
WKZ	1,589	27,805	-	-	-	-	2,346	1,589	100 %	30,151	30,151	〃
WTP	12,413	459,998	-	758	-	-	5,023	12,413	100 %	465,779	469,784	〃
Exchange differences on translation of foreign financial statements		580,376		-		314,150	-			266,226	-	
		$ 7,864,822		758		314,150	280,495			7,831,925	7,831,925	

Note: An adjustment of $758 to capital surplus was recognized under the equity method.

WEIKENG INDUSTRIAL CO., LTD.

Statement of non-current financial assets measured at fair value through other comprehensive income

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

	Beginning balance		Increase		Decrease (Note)		Fair value adjustment of financial assets	Ending balance		
Name of investee	Shares	Amount	Shares	Amount	Shares	Amount		Shares	Amount	Collateral
Share:										
Pavadigam I	750	$ 7,458	-	-	-	-	-	750	7,458	None
PVC Corp.	230	2,301	-	-	-	-	-	230	2,301	〃
Clientron Corp.	15	194	-	-	-	-	(80)	15	114	〃
SKGVC	720	7,200	-	-	-	-	-	720	7,200	〃
VTEC	800	9,033	-	-	-	(200)	-	800	8,833	〃
Winsheng Material	1,690	53,591	-	-	-	-	-	1,690	53,591	〃
Convertible promissory										
SiTune	-	9,056	-	-	-	-	-	-	9,056	〃
		$ 88,833		**-**		**(200)**	**(80)**		**88,553**	

Note 1: Cash dividends distributed from capital surplus.

WEIKENG INDUSTRIAL CO., LTD.

Statement of short-term borrowings

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Type	Description	Contract period	Interest rate	Loan facilities	Ending balance	Collateral
Financial institution loans	Supplier finance arrangements	2025.12.10~2026.03.06	4.74%	1,568,750	$ 629,782	None
〃	Unsecured loans	2025.09.08~2026.09.08	1.98%~4.69%	1,214,750	791,834	〃
〃	〃	2024.11.26~2026.09.08	1.88%~1.94%	800,000	675,000	〃
〃	〃	2025.09.11~2026.06.16	4.57%~4.80%	775,000	503,702	〃
〃	〃	2025.11.21~2026.11.13	2.00%	500,000	500,000	〃
〃	〃	2024.11.21~2026.12.02	2.09%	500,000	500,000	〃
Others (Note)					4,404,783	〃
					$ 8,005,101	

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

WEIKENG INDUSTRIAL CO., LTD.

Statement of accounts payable

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Account	Description	Amount
Accounts payable:		
TV002	Operating expense for non related party	$ 813,186
TV008	〃	837,452
TV007	〃	225,181
Others (Note)	〃	997,882
		$ 2,873,701

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

Statement of other non-current liabilities

Item	Description	Amount
Refund liabilities	Payable for sales allowance	$ 586,996
Others (Note)	Collect labor insurance and advance rent etc.	4,573
		$ 591,569

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

WEIKENG INDUSTRIAL CO., LTD.

Statement of lease liabilities

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Rental period	Discount rate	Current	Non-current
Buildings	1~6 years	0.84%~5.52%	$ 61,010	16,420
Transportation equipment	5 years	0.96%~1.92%	1,911	1,959
			$ 62,921	**18,379**

Note: For right-of-use asset, please refer note (6)(i).

Statement of operating revenue

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount (thousand)	Amount
Sale revenue:		
Chipset/ memory components	586,055	$ 26,899,086
Mixed and other components	3,361,837	18,730,085
Others		1,476
Net operating revenue		**$ 45,630,647**

WEIKENG INDUSTRIAL CO., LTD.

Statement of operating costs

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Inventory, January, 1	$ 8,124,192
Add: Purchases (included goods in transit)	41,849,142
Outsourcing processing expense	34,729
Less: Inventory, December, 31	(5,937,939)
Inventory scrapping	(2,966)
Cost of goods sold	44,067,158
Add: Inventory scrapping loss	2,966
Less: Inventory valuation and obsolescence losses	65,034
Operating costs	**$ 44,135,158**

Statement of selling and administrative expenses

Item	Selling expense	Administrative expense
Salary expense	$ 539,526	190,828
Depreciation expense	62,233	10,499
Export expense	45,976	-
Insurance expense	63,150	16,318
Remuneration of directors	-	24,466
Others (Note)	168,070	72,289
Total	**$ 878,955**	**314,400**

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