

# VSO ELECTRONICS CO., LTD.

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

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For the convenience of readers and for information purpose only, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of VSO ELECTRONICS CO., LTD.

### **Opinions**

We have audited the accompanying parent company only balance sheets of VSO ELECTRONICS CO., LTD. as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of VSO ELECTRONICS CO., LTD. as at 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 of 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 parent company only financial statements section of our report. We are independent of VSO ELECTRONICS CO., LTD. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of VSO ELECTRONICS CO., LTD.'s 2025 financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming

our opinion thereon, we do not provide a separate opinion on these matters. Key audit matter for VSO ELECTRONICS CO., LTD. 2025 financial statements are stated as follows:

**Occurrence of operating revenues**

VSO ELECTRONICS CO., LTD. develops, manufactures, and sells a variety of connecting cables for the Internet of Things, cloud, industrial control, medical, and automotive applications. Since the products are customized and developed according to the needs of customers, the occurrence or non-occurrence of the sales transactions related to the operating revenues from specific customers has a significant impact on the consolidated financial statements. Therefore, we have determined that the occurrence of the aforementioned customer-specific revenue is a material adjustment to our consolidated financial statements.

**How our audit addressed the matter**

We have performed primary audit procedures for the above matter as follows:

1. Understand and evaluate the effectiveness of internal control design and implementation in relation to the occurrence of consolidated revenue;
2. Sampling sales revenue details of specific customers, and verifying sales transactions by cross-referencing customer orders, shipping documents, sales invoices, and collection of accounts receivable.

**Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of VSO ELECTRONICS CO., LTD.

**Auditors' responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 parent company only 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 parent company only 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 internal

control of VSO ELECTRONICS CO., LTD.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of VSO ELECTRONICS CO., LTD. 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 parent company only 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 VSO ELECTRONICS CO., LTD. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within VSO ELECTRONICS CO., LTD. to express an opinion on the parent company only 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 parent company only 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.

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Yeh Shu-Chuan

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Huang Kuo-Ning.

For and on behalf of Deloitte & Touche, Taiwan

March 20, 2026

#### Notice to Readers

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

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

## VSO ELECTRONICS CO., LTD.

## Individual Balance Sheet

December 31, 2025 and 2024

Unit: NT\$ thousand

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	<b>Current Assets</b>				
1100	Cash (Notes 4 and 6)	\$ 81,866	4	\$ 38,377	2
1136	Financial assets measured at amortized cost—current (Notes 4 and 8)	378,000	17	338,208	18
1150	Notes receivable (Notes 4, 9, and 22)	-	-	462	-
1170	Accounts receivable (Notes 4, 9, and 22)	597,997	27	504,390	28
1180	Accounts receivable—related parties (Notes 4, 9, 22, and 30)	20,643	1	18,390	1
1200	Other receivables (Notes 9 and 29)	542	-	1,072	-
1210	Other receivables—related parties (Note 30)	28,552	1	15,681	1
130X	Inventories (Notes 4 and 10)	25,252	1	17,760	1
1470	Other current assets (Note 15)	7,385	-	1,566	-
11XX	Total Current Assets	<u>1,140,237</u>	<u>51</u>	<u>935,906</u>	<u>51</u>
	<b>Non-current assets</b>				
1550	Investments accounted for using the equity method (Notes 4 and 11)	887,835	40	747,132	41
1600	Property, plant, and equipment (Notes 4, 12, 31, and 32)	177,913	8	118,085	6
1780	Intangible assets (Notes 4 and 14)	20,049	1	16,615	1
1840	Deferred income tax assets (Notes 4 and 24)	2,180	-	1,107	-
1990	Other non-current assets (Notes 15 and 31)	855	-	15,211	1
15XX	Total Non-Current Assets	<u>1,088,832</u>	<u>49</u>	<u>898,150</u>	<u>49</u>
1XXX	Total Assets	<u>\$ 2,229,069</u>	<u>100</u>	<u>\$ 1,834,056</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current liabilities</b>				
2100	Short-term borrowings (Notes 4, 16, 27, 28, and 31)	\$ 184,478	8	\$ 34,750	2
2120	Financial liabilities at fair value through profit or loss-current (Notes 7 and 29)	1,904	-	-	-
2170	Accounts Payable (Notes 4 and 17)	5,958	-	4,722	-
2180	Accounts Payable-Related Parties (Notes 4 and 30)	222,787	10	195,264	11
2200	Other payables (Note 18)	58,227	3	50,305	3
2220	Other payables-related parties (Notes 4 and 30)	709	-	288	-
2230	Current income tax liability (Notes 4 and 24)	28,596	1	9,610	-
2250	Liabilities and provisions-current (Notes 4 and 19)	1,764	-	1,157	-
2300	Other current liabilities (Notes 4, 18, and 22)	8,391	1	3,724	-
21XX	Total Current Liabilities	<u>512,814</u>	<u>23</u>	<u>299,820</u>	<u>16</u>
	<b>Total Non-Current Liabilities</b>				
2540	Long-term borrowings (Notes 4, 16, 27, 28, and 31)	124,294	5	9,853	1
2570	Deferred income tax liabilities (Notes 4 and 24)	37,161	2	34,836	2
2640	Other non-current liabilities (Notes 4, 18, and 27)	964	-	105	-
25XX	Total Non-Current Liabilities	<u>162,419</u>	<u>7</u>	<u>44,794</u>	<u>3</u>
2XXX	Total Liabilities	<u>675,233</u>	<u>30</u>	<u>344,614</u>	<u>19</u>
	<b>Equity (Note 21)</b>				
3110	Share Capital-Common Stock	438,488	20	417,165	23
3200	Capital surplus	569,554	25	565,514	31
	<b>Retained earnings</b>				
3310	Legal reserve	105,221	5	86,676	4
3320	Special surplus reserve	34,452	1	52,481	3
3350	Retained earnings	486,799	22	402,057	22
3300	Total retained earnings	<u>626,472</u>	<u>28</u>	<u>541,214</u>	<u>29</u>
3400	Other equity	( 51,709 )	( 2 )	( 34,451 )	( 2 )
3500	Treasury stock	( 28,969 )	( 1 )	-	-
3XXX	Total Equity	<u>1,553,836</u>	<u>70</u>	<u>1,489,442</u>	<u>81</u>
	<b>Total Liabilities and Equity</b>	<u>\$ 2,229,069</u>	<u>100</u>	<u>\$ 1,834,056</u>	<u>100</u>

The accompanying notes are an integral part of these individual financial statements.

## VSO ELECTRONICS CO., LTD.

## Consolidated Statement of Comprehensive Income

January 1 to December 31, 2025 and 2024

(AMOUNTS IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

Code		2025		2024	
		Amount	%	Amount	%
4000	Net Revenue (Notes 4, 22, and 30)	\$ 1,656,097	100	\$ 1,199,779	100
5000	Cost of sales (Notes 4, 10, and 30)	<u>1,258,264</u>	<u>76</u>	<u>903,220</u>	<u>75</u>
5900	Gross Profit	397,833	24	296,559	25
5910	Unrealized gross profit on sales with subsidiaries	( 893)	-	( 411)	-
5920	Gross profit on sales with subsidiaries	<u>411</u>	<u>-</u>	<u>875</u>	<u>-</u>
5950	Gross Profit	<u>397,351</u>	<u>24</u>	<u>297,023</u>	<u>25</u>
	Operating expenses (Notes 9, 14, 23, and 30)				
6100	Selling expenses	59,681	4	45,006	4
6200	Management Expenses	89,121	5	87,098	7
6300	Research and development expenses	39,599	2	30,919	3
6450	Expected credit (reversal) impairment loss	( <u>766</u> )	<u>-</u>	<u>939</u>	<u>-</u>
6000	Total operating expenses	<u>187,635</u>	<u>11</u>	<u>163,962</u>	<u>14</u>
6900	Net operating profit	<u>209,716</u>	<u>13</u>	<u>133,061</u>	<u>11</u>
	Non-operating income and expenses				
7100	Interest income (Notes 23 and 30)	9,152	-	3,047	-
7010	Other income (Notes 23 and 30)	5,514	-	3,070	-
7210	Other gains and losses (Notes 7, 23, and 33)	( 18,459)	( 1 )	12,787	1
7050	Financial expenses (Notes 23)	( 6,321)	-	( 4,312)	-

## (ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

Code		2025		2024	
		Amount	%	Amount	%
7060	Share of profit or loss of subsidiaries and associates accounted for under the equity method	\$ 30,620	2	\$ 81,548	7
7000	Total non-operating income and expenses	20,506	1	96,140	8
7900	Pre-tax net profit	230,222	14	229,201	19
7950	Income tax expense (Notes 4 and 24)	(40,673)	(3)	(43,629)	(4)
8200	Net profit for the year	189,549	11	185,572	15
	Other comprehensive income (Notes 21 and 24)				
8349	Items not reclassified to profit or loss				
	Income taxes related to items not reclassified to profit or loss	-	-	(87)	-
	Items that may be reclassified to profit or loss				
8361	Foreign currency translation adjustments from the financial statements of foreign operations	(17,258)	(1)	18,030	2
8300	Total other comprehensive income (net)	(17,258)	(1)	17,943	2
8500	Total comprehensive income for the year	\$ 172,291	10	\$ 203,515	17
	Earnings per share (Note 25)				
9710	Basic	\$ 4.34		\$ 4.55	
9810	Dilution	\$ 4.33		\$ 4.52	

The accompanying notes are an integral part of these separate financial statements.

VSO ELECTRONICS CO., LTD.  
Statement of Changes in Equity  
January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand

Code		Share Capital (Note 21)		Capital Surplus (Note 21)	Retained earnings (Notes 21 and 24)			Foreign Operations Financial Statement Conversion Exchange differences (Note 21)	Treasury Stock (Note 21)	Total Equity
		Number of shares (thousands)	Amount		Legal Reserve	Special Reserve	Retained earnings			
A1	Balance as of January 1, 2024	37,530	\$ 375,302	\$ 227,844	\$ 75,181	\$ 40,666	\$ 315,846	( \$ 52,481)	\$ -	\$ 982,358
E1	Cash Capital Increase	3,660	36,600	328,977	-	-	-	-	-	365,577
	Allocation and Distribution of Surplus for Fiscal Year 2023									
B1	Statutory Surplus Reserve	-	-	-	11,495	-	( 11,495)	-	-	-
B3	Special Surplus Reserve	-	-	-	-	11,815	( 11,815)	-	-	-
B5	Cash Dividends to Shareholders	-	-	-	-	-	( 75,921)	-	-	( 75,921)
C7	Changes in equity-method investees	-	-	-	-	-	( 43)	-	-	( 43)
C17	Exercise of the right of set-off	-	-	928	-	-	-	-	-	928
N1	Employee Stock Option Compensation Expense	-	-	2,129	-	-	-	-	-	2,129
N1	Common stock issued under the employee stock option plan	526	5,263	5,636	-	-	-	-	-	10,899
D1	Net Profit for Fiscal Year 2024	-	-	-	-	-	185,572	-	-	185,572
D3	2024 After-Tax Other Comprehensive Income	-	-	-	-	-	( 87)	18,030	-	17,943
Z1	Balance as of December 31, 2024	41,716	417,165	565,514	86,676	52,481	402,057	( 34,451)	-	1,489,442
	Allocation and Distribution of Fiscal Year 2024 Surplus									
B1	Statutory Retained Earnings	-	-	-	18,545	-	( 18,545)	-	-	-
B3	Special Surplus Reserve	-	-	-	-	( 18,029)	18,029	-	-	-
B5	Cash Dividends to Shareholders	-	-	-	-	-	( 83,433)	-	-	( 83,433)
B9	Stock Dividends to Shareholders	2,086	20,858	-	-	-	( 20,858)	-	-	-
C17	Exercise of the right of consolidation	-	-	256	-	-	-	-	-	256
N1	Employee Stock Option Compensation Expense	-	-	2,854	-	-	-	-	-	2,854
N1	Common stock issued under the employee stock option plan	46	465	930	-	-	-	-	-	1,395
L1	Purchase of treasury stock	-	-	-	-	-	-	-	( 28,969)	( 28,969)
D1	FY 2025 Net Profit	-	-	-	-	-	189,549	-	-	189,549
D3	2025 After-Tax Other Comprehensive Income	-	-	-	-	-	-	( 17,258)	-	( 17,258)
Z1	Balance as of December 31, 2025	43,848	\$ 438,488	\$ 569,554	\$ 105,221	\$ 34,452	\$ 486,799	( \$ 51,709 )	( \$ 28,969)	\$ 1,553,836

The accompanying notes are an integral part of these separate financial statements.

## VSO ELECTRONICS CO., LTD.

## Statement of Cash Flows

January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand

Code		2025	2024
	<b>Cash Flows from Operating Activities</b>		
A10000	Net Income Before Tax for the Current Year	\$ 230,222	\$ 229,201
	Income and Expense Items:		
A20100	Depreciation Expense	5,455	4,760
A20200	Amortization expense	8,110	6,360
A20300	Expected credit (reversal) impairment loss	( 766)	939
A20400	Net loss on financial assets and liabilities measured at fair value through profit or loss	4,264	788
A20900	Financial expenses	6,321	4,312
A21200	Interest Income	( 9,152)	( 3,047)
A21900	Equity-based compensation expense	2,854	2,022
A22400	Share of profit or loss of subsidiaries and associates accounted for using the equity method	( 30,620)	( 81,548)
A22500	Gain on disposal of real estate, plant, and equipment	( 31)	( 35)
A23700	Losses from inventory write-downs and obsolescence	-	930
A23800	Gains on Reversal of Inventory Write-downs and Obsolescence	( 1,004)	-
A24000	Gross profit on sales with subsidiaries	482	( 464)
A29900	Government grants	( 475)	( 349)
A30000	Net change in operating assets and liabilities		
A31115	Financial assets designated at fair value through profit or loss	7,357	-
A31130	Notes receivable	462	( 344)
A31150	Accounts Receivable	( 92,841)	( 207,136)
A31160	Accounts Receivable—Related Parties	( 2,253)	10,068
A31180	Other receivables	( 114)	1,666
A31190	Other Receivables—Related Parties	294	1,115

Code		2025	2024
A31200	Inventory	(\$ 6,488)	\$ 1,701
A31220	Prepaid pension	-	373
A31240	Other Current Assets	( 5,819)	( 392)
A31990	Other non-current assets	87	( 402)
A32110	Financial liabilities held for trading	( 9,717)	( 872)
A32125	Contract Liabilities	-	( 362)
A32150	Accounts Payable	1,236	( 10,206)
A32160	Accounts Payable – Related Parties	27,523	61,305
A32180	Other payables	7,492	9,632
A32190	Other payables—related parties	421	47
A32200	Liability provisions	607	439
A32230	Other current liabilities	<u>4,427</u>	<u>2,292</u>
A33000	Cash from operating activities	148,334	32,793
A33500	Income tax paid	( 20,435)	( 55,814)
AAAA	Net cash inflow (outflow) from operating activities	<u>127,899</u>	<u>( 23,021)</u>
	<b>Cash flows from investing activities</b>		
B00040	Acquisition of financial assets measured at amortized cost	( 1,273,000)	( 338,208)
B00050	Disposal of financial assets measured at amortized cost	1,233,208	25,000
B00200	Disposal of financial assets measured at fair value through profit or loss	-	22,423
B02200	Acquisition of a subsidiary	( 143,392)	-
B02700	Acquisition of property, plant, and equipment	( 50,998)	( 18,894)
B03700	Increase in margin deposits	( 16)	-
B03800	Decrease in Margin Deposits	-	3,048
B04300	Increase in other receivables—related parties	( 28,278)	( 14,751)
B04400	Decrease in other receivables—related parties	14,751	15,355
B04500	Acquisition of Intangible Assets	( 11,544)	( 10,486)
B07500	Interest received	10,158	2,408
B07600	Dividends received from subsidiaries	<u>15,600</u>	<u>12,600</u>
BBBB	Net cash outflow from investing activities	<u>( 233,511)</u>	<u>( 301,505)</u>
	<b>Cash flows from financing activities</b>		
C00100	Increase in short-term borrowings	397,790	240,996
C00200	Decrease in short-term borrowings	( 248,312)	( 389,310)
C01600	Long-term borrowings	115,790	10,000
C04500	Dividend Payout	( 83,433)	( 75,921)

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

<u>Code</u>		<u>2025</u>	<u>2024</u>
C04600	Cash Capital Increase	\$ -	\$ 365,577
C04800	Exercise of Employee Stock Options	1,395	10,899
C04900	Purchase of Treasury Stock	( 28,969)	-
C05600	Interest Paid	( 5,416)	( \$4,574)
C09900	Exercise of the right of reclassification	<u>256</u>	<u>928</u>
CCCC	Net cash inflow from financing activities	<u>149,101</u>	<u>158,595</u>
EEEE	Net increase (decrease) in cash	43,489	( 165,931)
E00100	Cash balance at the beginning of the year	<u>38,377</u>	<u>204,308</u>
E00200	Cash balance at year-end	<u>\$ 81,866</u>	<u>\$ 38,377</u>

The accompanying notes are an integral part of these financial statements

VSO ELECTRONICS CO., LTD.

Notes to the Separate Financial Statements

January 1 to December 31, 2025 and 2024

(Amounts are in thousands of New Taiwan Dollars unless otherwise stated)

1. Company History

VSO ELECTRONICS CO., LTD. (hereinafter referred to as “the Company”) was established on August 13, 1994. Its primary business activities include the sale of various types of cables for smart IoT, cloud computing, industrial control, medical, and automotive applications.

On September 28, 2022, the Company received approval from the Taiwan Stock Exchange Corporation (TWSE) for a public offering of its shares, and on October 6, 2022, it received approval from the TWSE to list its shares on the TWSE’s Emerging Market Board. In addition, the Company’s shares have been listed on the Taiwan Stock Exchange Corporation (TWSE) since October 1, 2024.

This financial report is presented in the Company’s functional currency, the New Taiwan Dollar.

2. Date and Procedure for Approval of the Financial Statements

These individual financial statements were approved by the Board of Directors on March 12, 2026.

3. Application of New and Revised Standards and Interpretations

(1) First-time Adoption of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Statements of Interpretation (SIC) (hereinafter referred to as “IFRS Accounting Standards”) recognized and issued by the Financial Supervisory Commission (hereinafter referred to as “FSC”)

The initial application of the IFRS Accounting Standards recognized and issued by the FSC did not result in any significant changes to the Company’s accounting policies, nor did it have a material impact on the Company’s financial position or financial performance.

(2) IFRS Accounting Standards Recognized by the FSC and Effective in 2026

Newly issued/amended/revised standards and interpretations	Effective Date as Issued by the IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7: “Contracts Involving Natural Gas”	January 1, 2026
"Annual Improvements to IFRS Standards—Volume 11"	January 1, 2026
IFRS 17 “Insurance Contracts” (including amendments from 2020 and 2021)	January 1, 2023

As of the date of approval and issuance of this entity’s financial statements, the Company has assessed that the amendments to the aforementioned standards and interpretations have no material impact on the Company’s financial position and financial performance.

- (3) IFRS accounting standards issued by the IASB but not yet endorsed and effective by the Financial Supervisory Commission

Newly Issued/Amended/Revised Standards and Interpretations	Effective Date as Issued by the IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Disposal of Assets by an Investor to an Associate or Joint Venture”	Not yet
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including amendments effective in 2025)	January 1, 2027
Amendments to IAS 21 “Translation into a Highly Inflationary Currency”	January 1, 2027

Note 1: Unless otherwise stated, the above new, amended, or revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

Note 2: On September 25, 2025, the Financial Supervisory Commission announced that Taiwanese enterprises shall apply IFRS 18 effective January 1, 2028, and may also elect to apply it early once the Financial Supervisory Commission has endorsed IFRS 18.

IFRS 18 “Presentation and Disclosure in Financial Statements” and Related Amendments

IFRS 18 will replace IAS 1 “Presentation of Financial Statements.” The main changes in this standard include:

- The entity shall assess whether it has specific principal activities involving investments in specific types of assets and the provision of financing to customers, and classify income and expense items in the income statement into operating, investing, financing, income tax, and discontinued operations categories accordingly.
- The income statement shall present operating profit or loss, profit or loss before financing and income taxes, as well as subtotals and totals of profit or loss.
- Guidance is provided to strengthen aggregation and segmentation requirements: The Company must identify assets, liabilities, equity, revenue, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be segmented in the primary financial statements and notes. The Company shall classify such items as “Other” only when no more informative designation can be identified.
- Increased Disclosure of Management-Defined Performance Measures: When the Company communicates publicly outside of the financial statements, or communicates to users of the financial statements management’s perspective on a specific aspect of the Company’s overall financial performance, it shall disclose information regarding management-defined performance measures in a single note to the financial statements, including a description of the measure, how it is calculated, its reconciliation to subtotals or totals specified in IFRS, and the income tax and non-controlling interest effects of the relevant reconciling items.

In addition, IAS 7 “Statement of Cash Flows” is amended as follows:

- When an entity prepares cash flows from operating activities using the indirect method, operating profit or loss shall be used as the starting point for the reconciliation.

- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Company determines that it has a specific principal operating activity, it must consider the nature of dividend income, interest income, and interest expense reported in the income statement to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows; however, each of these cash flows may be classified only under a single activity in the statement of cash flows.
- In addition to the above impacts, as of the date of approval and issuance of this entity's financial statements, the Company continues to assess the other impacts of the amendments to the Standards and Interpretations on its financial position and financial performance; such impacts will be disclosed upon completion of the assessment.

#### 4. Summary of Significant Accounting Policies

##### (1) Statement of Compliance

These individual financial statements have been prepared in accordance with the Guidelines for the Preparation of Financial Statements by Securities Issuers.

##### (2) Basis of Preparation

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

Fair value measurements are classified into Levels 1 through 3 based on the observability of relevant inputs and materiality:

- 1) Level 1 inputs: These are quoted prices (unadjusted) in active markets for identical assets or liabilities as of the measurement date.
- 2) Level 2 inputs: These are observable inputs for the asset or liability, other than Level 1 quoted prices, that are either directly (i.e., price) or indirectly (i.e., derived from price) observable.
- 3) Level 3 inputs: These refer to unobservable inputs for assets or liabilities.

When preparing its separate financial statements, the Company applies the equity method to its investee subsidiaries and associated companies. To ensure that the current year's profit or loss, other comprehensive income, and equity in these separate financial statements are consistent with the current year's profit or loss, other comprehensive income, and equity attributable to the Company's owners in the Company's consolidated financial statements, certain differences in accounting treatment between the separate and consolidated bases are adjusted through "Investments accounted for using the equity method," "Share of other comprehensive income of subsidiaries and associates accounted for using the equity method," and related equity items.

(3) Criteria for Classifying Assets and Liabilities as Current or Non-Current

Current assets include:

- 1) Assets held primarily for trading purposes;
- 2) Assets expected to be realized within 12 months after the balance sheet date; and
- 3) Cash (excluding cash restricted for exchange or settlement of liabilities more than 12 months after the balance sheet date).

Current liabilities include:

- 1) Liabilities held primarily for trading purposes;
- 2) liabilities due for settlement within 12 months after the balance sheet date; and
- 3) liabilities for which, as of the balance sheet date, there is no substantive right to defer settlement for at least 12 months after the balance sheet date.

Items that do not fall under the above categories of current assets or current liabilities are classified as non-current assets or non-current liabilities.

(4) Foreign Currency

When the Company prepares its separate financial statements, transactions denominated in currencies other than the Company's functional currency (foreign currencies) are translated into the functional currency at the exchange rate prevailing on the transaction date.

Monetary items denominated in foreign currencies are translated at the closing exchange rate on each balance sheet date. Exchange differences arising from the settlement of monetary items or the translation of monetary items are recognized in profit or loss in the period in which they occur.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rate prevailing on the date the fair value is determined, and the resulting exchange differences are recognized in profit or loss for the current period; however, if the change in fair value is recognized in other comprehensive income, the resulting exchange differences are recognized in other comprehensive income.

Non-monetary items denominated in foreign currencies and measured at historical cost are translated at the exchange rate prevailing on the transaction date and are not retranslated.

When preparing separate financial statements, the assets and liabilities of foreign operations (including subsidiaries whose country of operation or currency of use differs from that of the Company) are translated into New Taiwan Dollars at the exchange rate prevailing on each balance sheet date. Income and expense items are translated at the average exchange rate for the period, and the resulting exchange differences are recognized in other comprehensive income.

If the Company disposes of all of its equity interest in a foreign operation, or disposes of a portion of its equity interest in a subsidiary of a foreign operation a subsidiary of a foreign operation but loses control, or disposes of a retained interest in a foreign operation that is a financial asset and is accounted for in accordance with the accounting policies for financial instruments, all cumulative translation adjustments related to that foreign operation are reclassified to profit or loss.

If a partial disposal of a subsidiary of a foreign operation does not result in a loss of control, the cumulative translation adjustment is included in the calculation of equity transactions on a pro rata basis but is not recognized in profit or loss. In the case of any other partial disposal of a foreign

operation, the cumulative translation adjustment is reclassified to profit or loss in proportion to the disposal.

(5) Inventories

Inventories consist entirely of merchandise. Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to complete the sale. The cost of inventories is calculated using the weighted-average method.

(6) Investments in Subsidiaries

The Company accounts for its investments in subsidiaries using the equity method.

A subsidiary is an entity over which the Company exercises control.

Under the equity method, the investment is initially recognized at cost, and the carrying amount after the acquisition date increases or decreases in accordance with the Company's share of the subsidiary's profit or loss, other comprehensive income, and profit distributions. In addition, changes in the Company's share of the subsidiary's other equity are recognized in proportion to the Company's ownership interest.

When a change in the Company's ownership interest in a subsidiary does not result in a loss of control, it is treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses in a subsidiary equals or exceeds its interest in that subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are, in substance, part of the Company's net investment in that subsidiary), losses continue to be recognized on a proportionate basis.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiary constituting the business as of the acquisition date is recognized as goodwill. Such goodwill is included in the carrying amount of the investment and is not amortized; any excess of the Company's share of the

net fair value of the identifiable assets and liabilities of the subsidiary constituting the business as of the acquisition date over the cost of acquisition is recognized as current income.

When assessing impairment, the Company considers cash-generating units on a financial reporting basis and compares their recoverable amounts with their carrying amounts. If the recoverable amount of an asset subsequently increases, the reversal of the impairment loss is recognized as income; however, the carrying amount of the asset after the reversal of the impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognized, less any amortization that would have been recognized. An impairment loss attributed to goodwill may not be reversed in subsequent periods.

Upon loss of control over a subsidiary, the Company measures its remaining investment in the former subsidiary at fair value as of the date of loss of control. The difference between the fair value of the remaining investment and any disposal proceeds and the carrying amount of the investment as of the date of loss of control is recognized in profit or loss for the current period. In addition, all amounts recognized in other comprehensive income relating to the subsidiary are accounted for on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Unrealized gains or losses on downstream transactions between the Company and its subsidiaries are eliminated in the separate financial statements. Gains or losses arising from upstream and lateral transactions between the Company and its subsidiaries are recognized in the separate financial statements only to the extent that they are unrelated to the Company's equity interest in the subsidiaries.

#### (7) Property, Plant, and Equipment

Property, plant, and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Except for owned land, which is not depreciated, the remaining property, plant, and equipment are depreciated on a straight-line basis over their

useful lives, with depreciation calculated separately for each major component. The Company reviews the estimated useful lives, residual values, and depreciation methods at least at the end of each fiscal year and defers the impact of changes in accounting estimates.

Upon disposal of property, plant, and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

## (8) Intangible Assets

### 1) Separately Acquired

Intangible assets with finite useful lives acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are amortized on a straight-line basis over their useful lives. The Company reviews the estimated useful lives, residual values, and amortization methods at least at the end of each fiscal year and defers the effects of changes in accounting estimates. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

### 2) Derecognition

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

## (9) Impairment of Property, Plant and Equipment and Intangible Assets

### (Excluding Goodwill)

The Company assesses at each balance sheet date whether there are any indications that property, plant and equipment and intangible assets (other than goodwill) may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the lowest level of cash-generating units on a reasonable and consistent basis.

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years (net of depreciation or amortization). The reversal of an impairment loss is recognized in profit or loss.

#### (10) Financial Instruments

Financial assets and financial liabilities are recognized on the Company's individual balance sheet when the Company becomes a party to the contractual terms of the instrument.

Upon initial recognition, financial assets and financial liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

##### 1) Financial Assets

Financial assets are recognized and derecognized on a trade-date basis.

##### i. Measurement Category

The Company's financial assets are classified as financial assets measured at amortized cost.

The Company's investments in financial assets are classified as financial assets measured at amortized cost if they meet both of the following conditions:

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

- ii) The contractual terms give rise to cash flows on specific dates, and such cash flows consist solely of payments of principal and interest on the outstanding principal amount.

Financial assets measured at amortized cost (including cash and cash equivalents, time deposits and bonds with repurchase agreements with original maturities exceeding three months measured at amortized cost, notes receivable, accounts receivable, accounts receivable-related parties, other receivables, other receivables-related parties, and security deposits) are measured at amortized cost-the total carrying amount determined using the effective interest method less any impairment losses-after initial recognition; any foreign exchange gains or losses are recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets.

A credit-impaired financial asset is one for which the issuer or debtor is experiencing significant financial difficulty, is in default, is highly likely to file for bankruptcy or undergo other financial restructuring, or for which an active market has disappeared due to financial difficulties.

#### ii. Impairment of Financial Assets

At each balance sheet date, the Company assesses for impairment losses on financial assets (including accounts receivable) measured at amortized cost based on expected credit losses.

Allowances for accounts receivable are recognized based on expected credit losses over the remaining term. For other financial assets, the Company first assesses whether credit risk has increased significantly since initial recognition; if there has been no significant increase, an allowance is recognized based on 12-month expected credit losses; if there has been a significant increase, an allowance is recognized based on expected credit losses over the remaining term.

Expected credit losses are weighted average credit losses weighted by the probability of default. 12-month expected credit losses represent the expected credit losses arising from potential defaults within 12 months after the reporting date, while lifetime expected credit losses represent the expected credit losses arising from all potential defaults over the expected life of the financial instrument.

For internal credit risk management purposes, and without considering any collateral held, the Company determines that the following circumstances constitute a default on a financial asset:

- i) There is internal or external information indicating that the debtor is unlikely to repay the debt.
- ii) The financial asset is past due by more than 120 days, unless there is reasonable and supportable information indicating that a later default criterion is more appropriate.

Impairment losses on all financial assets are recognized by reducing their carrying amounts through an allowance account.

### iii. Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset have expired, or when the financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred to another entity.

When a financial asset measured at amortized cost is derecognized in its entirety, the difference between its carrying amount and the consideration received is recognized in profit or loss.

## 2) Equity Instruments

Equity instruments issued by the Company are recognized at the amount of the consideration received, net of direct issuance costs.

## 3) Financial liabilities

### i. Subsequent Measurement

Except as described below, all of the Company's financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include those held for trading.

Financial liabilities held for trading are measured at fair value, and the related gains or losses are recognized in other comprehensive income.

ii. Derecognition of financial liabilities

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

4) Derivatives

The Company enters into derivative contracts, including forward foreign exchange contracts, to manage its foreign exchange risk. Derivatives are initially recognized at fair value upon entering into the derivative contract and are subsequently remeasured at fair value on the balance sheet date. Gains or losses arising from subsequent measurement are recognized directly in profit or loss; however, for derivatives that are designated and effective as hedging instruments, the timing of recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative is positive, it is classified as a financial asset; when the fair value is negative, it is classified as a financial liability.

If a derivative is embedded in a host contract within the scope of IFRS 9, the classification of the financial asset is determined based on the contract as a whole. If a derivative is embedded in a host contract that is not within the scope of IFRS 9 (such as embedded in a financial liability host contract), and the embedded derivative meets the definition of a derivative, its risks and characteristics are not closely related to the risks and characteristics of the host contract, and the hybrid contract is not measured at fair value through profit or loss, the derivative is treated as a standalone derivative.

(11) Provisions

The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties associated with the obligation. Provisions are measured at the present value of the estimated cash flows required to settle the obligation.

Warranty obligations to ensure that products conform to agreed specifications are recognized when revenue from the related goods is recognized, based on management's best estimate of the expenditure required to settle the Company's obligations.

(12) Revenue Recognition

After identifying performance obligations in customer contracts, the Company allocates the transaction price to each performance obligation and recognizes revenue as each performance obligation is satisfied.

For contracts where the time interval between the transfer of goods and the receipt of consideration is one year or less, the transaction price is not adjusted for significant financial components.

Revenue from Sales of Goods

Revenue from sales of goods derives from the sale of various connectivity cable products for smart IoT, cloud computing, industrial control, medical, and automotive applications. Since, upon the fulfillment of the trade terms agreed upon by both parties, the customer has the right to set the price and use the goods, bears the primary responsibility for resale, and assumes the risk of obsolescence, the Company recognizes revenue and accounts receivable at that point in time. Advance payments received for merchandise sales are recognized as contract liabilities prior to product delivery. In accordance with commercial practice, the Company estimates the amount of discounts based on the most probable amount, taking into account the transaction history with certain customers over the past year, and recognizes a refund liability accordingly.

(13) Leases

The Company assesses whether a contract is (or includes) a lease on the contract date.

1) The Company as Lessor

When the terms of a lease transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.

Under operating leases, lease payments, net of any lease incentives, are recognized as revenue on a straight-line basis over the relevant lease term. The initial direct costs incurred in obtaining an operating lease are capitalized into the carrying amount of the underlying asset and amortized as an expense on a straight-line basis over the lease term.

2) The Company is the lessee

Except for leases of low-value assets eligible for recognition exemptions and short-term leases, for which lease payments are recognized as expenses on a straight-line basis over the lease term, all other leases result in the recognition of a right-of-use asset and a lease liability at the commencement of the lease.

A right-of-use asset is initially measured at cost (including the initial measured amount of the lease liability) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, with the remeasured amount of the lease liability adjusted accordingly. Right-of-use assets are presented separately on the balance sheet.

The right-of-use asset is depreciated on a straight-line basis from the lease commencement date until the earlier of the end of its useful life or the end of the lease term.

Lease liabilities are initially measured at the present value of the lease payments (including fixed payments). If the implicit interest rate of the lease can be readily determined, the lease payments are discounted using that rate. If the rate cannot be readily determined, the lessee's incremental borrowing rate is used.

Subsequently, the lease liability is measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. If future lease payments change due to changes in the lease term or in the indices or rates used to determine the lease payments,

the Company remeasures the lease liability and adjusts the right-of-use asset accordingly; however, if the carrying amount of the right-of-use asset has already been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. The lease liability is presented separately on the separate balance sheet.

(14) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets until substantially all activities necessary to bring the assets to their intended use or sale have been completed.

Investment income earned on specific borrowings that are temporarily invested prior to the occurrence of qualifying capital expenditures is deducted from the borrowing costs eligible for capitalization.

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

(15) Government Grants

Government grants are recognized only when it is reasonably certain that the Company will comply with the conditions attached to the grants and will receive the grants.

Government grants related to revenue are recognized in other income on a systematic basis over the period in which the related costs they are intended to compensate are recognized as expenses by the Company.

Government grants conditional upon the Company purchasing, constructing, or otherwise acquiring non-current assets are recognized as deferred income and transferred to profit or loss on a reasonable and systematic basis over the useful lives of the related assets.

If a government grant is intended to compensate for expenses or losses already incurred, or is intended to provide immediate financial support to the Company without any future related costs, it is recognized in profit or loss in the period in which it is receivable.

For government loans obtained by the Company at interest rates below market rates, the difference between the loan amount received and the fair

value of the loan calculated based on the prevailing market interest rate is recognized as a government grant.

(16) Employee Benefits

1) Short-term employee benefits

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

2) Post-employment Benefits

For defined contribution pension plans, pension costs are recognized as an expense during the period in which the employees render service. The defined benefit cost of a defined benefit plan (including service cost, net interest, and remeasurement amounts) is calculated using the projected unit credit method. Service cost (including current service cost, past service cost, and settlement gains or losses) and net interest on the net defined benefit liability (asset) are recognized as employee benefit expense when the plan is amended or curtailed, or when settlement occurs. Remeasurements (including actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets net of interest) are recognized in other comprehensive income and included in retained earnings when they occur; they are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) represents the funding deficit (surplus) of a defined benefit pension plan. The net defined benefit asset shall not exceed the present value of any refunds of contributions or reductions in future contributions from the plan.

(17) Employee Stock Options

1) Employee stock options granted to employees

Employee stock options are recognized as an expense on a straight-line basis over the vesting period based on the fair value determined on the grant date and the best estimate of the number expected to vest, with a corresponding adjustment to capital surplus-employee stock options. If the options vest immediately on the grant date, the entire amount is recognized as an expense on the grant date.

The Company revises its estimate of the expected number of employee stock options to vest at each balance sheet date. If the original estimate is revised, the resulting impact is recognized in profit or loss to bring the cumulative expense in line with the revised estimate, and a corresponding adjustment is made to capital surplus-employee stock options.

2) Equity-settled share-based payment agreements granted to employees of subsidiaries

Employee stock options granted by the Company to employees of subsidiaries and settled with the Company's equity instruments are treated as capital contributions to the subsidiaries. They are measured at the fair value of the equity instruments on the grant date and recognized as an increase in the carrying amount of the investment in the subsidiary over the vesting period, with a corresponding adjustment to capital surplus—employee stock options.

(18) Income Tax

Income tax expense is the sum of current income tax and deferred income tax.

1) Current income tax

The additional income tax on undistributed earnings, calculated in accordance with the Income Tax Act of the Republic of China, is recognized in the year of the shareholders' meeting resolution.

Adjustments to prior-year income tax payable are included in current income tax.

2) Deferred Income Tax

Deferred income taxes are calculated based on temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and their tax bases used in computing taxable income.

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

Taxable temporary differences related to investments in subsidiaries are recognized as deferred income tax liabilities, except where the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets related to such investments are recognized only to the extent that it is probable that sufficient taxable income will be available to utilize the temporary differences and that the temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date, and the carrying amount is reduced for those assets for which it is no longer probable that sufficient taxable income will be available to allow for the recovery of all or part of the asset. Items not previously recognized as deferred income tax assets are also reviewed at each balance sheet date, and the carrying amount is increased if it is probable that future taxable income will be available to recover all or part of the asset.

Deferred income tax assets and liabilities are measured using the tax rate expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates and tax laws enacted or substantively enacted as of the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences that would result from the manner in which the Company expects to recover or settle the carrying amounts of its assets and liabilities as of the balance sheet date.

### 3) Current and Deferred Income Taxes

Current and deferred income taxes are recognized in profit or loss; however, current and deferred income taxes related to items recognized in other comprehensive income or directly in equity are recognized in other comprehensive income or directly in equity, respectively.

If current or deferred income taxes arise from the acquisition of a subsidiary, the related tax effects are included in the accounting treatment of the investment in the subsidiary.

### 5. Major Sources of Uncertainty in Significant Accounting Judgments, Estimates, and Assumptions

When adopting accounting policies, management must make relevant judgments, estimates, and assumptions based on historical experience and other relevant factors for matters where relevant information is not readily available from other sources. Actual results may differ from estimates.

The Company's management has assessed the accounting policies, estimates, and underlying assumptions adopted by the Company and determined that there are no significant uncertainties regarding accounting judgments, estimates, or assumptions.

### 6. Cash

	December 31, 2025	December 31, 2024
Cash on hand and petty cash	\$ 121	\$ 261
Bank checking accounts	81,745	38,116
	<u>\$ 81,866</u>	<u>\$ 38,377</u>

The interest rate ranges for bank deposits as of the balance sheet date are as follows:

	December 31, 2025	December 31, 2024
Bank deposits	0.01%–0.89%	0.002%–0.80%

### 7. Financial instruments measured at fair value through profit or loss

	December 31, 2025	December 31, 2024
<u>Financial liabilities—current</u>		
Derivatives held for trading		
Derivatives (not designated as hedges)		
– Forward foreign exchange contracts	<u>\$ 1,904</u>	<u>\$ -</u>

The following forward foreign exchange contracts were outstanding as of the balance sheet date and were not subject to hedge accounting:

#### December 31, 2025

	Currency	Maturity Period	Contract Amount (in thousands)
Sell Forward Foreign	USD/NTD	Jan. 5, 2025 – Mar. 4, 2025	USD 3,050 / NTD 93,795

## Exchange

As of December 31, 2024, the Company had no outstanding forward foreign exchange contracts. The Company enters into forward foreign exchange contracts primarily to hedge against the risk of exchange rate fluctuations affecting its foreign currency assets and liabilities; however, since the contracts do not meet the criteria for effective hedging, hedge accounting is not applied.

The net losses on financial instruments measured at fair value through profit or loss for fiscal years 2025 and 2024 were NT\$(4,264) thousand and NT\$(788) thousand, respectively.

8. Financial Assets Measured at Amortized Cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Time deposits with original maturities exceeding 3 months	\$ 300,000	\$ -
Time deposits	78,000	338,208
Callable Bonds	<u>\$ 378,000</u>	<u>\$ 338,208</u>
Total Book Value	\$ 378,000	\$ 338,208
Allowance for Losses	-	-
Amortized cost	<u>\$ 378,000</u>	<u>\$ 338,208</u>

As of December 31, 2025 and December 31, 2024, the coupon rates of the repurchase agreements purchased by the Company were 1.66% and 1.73%, respectively.

As of December 31, 2025, the market interest rate for time deposits with original maturities exceeding three months was 1.70% per annum.

The credit risk associated with financial instruments such as bank deposits and repurchase agreements is assessed and monitored by the Finance Department.

The Company selects counterparties and counterparties with good credit standing, including banks and securities firms.

9. Notes Receivable, Accounts Receivable (including related parties), and Other Receivables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes receivable</u>		
Arising from operations	\$ -	\$ 462

Less: Allowance for losses	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 462</u>
<u>Accounts Receivable</u>		
Total Carrying Amount	\$ 598,192	\$ 505,351
Less: Allowance for losses	( <u>195</u> )	( <u>961</u> )
	597,997	504,390
<u>Accounts receivable—related parties</u>		
	<u>20,643</u>	<u>18,390</u>
	<u>\$ 618,640</u>	<u>\$ 522,780</u>
<u>Other receivables</u>		
Other	<u>\$ 542</u>	<u>\$ 1,072</u>

## (1) Notes Receivable

The Company's average collection period for notes receivable is 80 days. To mitigate credit risk, the Company reviews the recoverable amounts of accounts receivable on an individual basis at each balance sheet date to ensure that appropriate impairment losses have been recognized for uncollectible accounts receivable. Accordingly, management believes that the Company's credit risk has been significantly mitigated.

The Company recognizes an allowance for notes receivable based on expected credit losses over the remaining term. Expected credit losses over the remaining term are determined by considering the customer's past default history, current financial condition, and industry economic conditions. As of December 31, 2024, there were no past-due notes receivable, and the expected credit loss rate was 0%.

## (2) Accounts Receivable

The Company's average credit period for merchandise sales is 30 to 120 days on a monthly settlement basis, and accounts receivable do not accrue interest.

To maintain the quality of receivables, the Company has established operational procedures for credit risk management. The Company's risk assessment of individual customers considers various factors that may affect a customer's ability to pay, including the customer's financial condition, aging analysis, and historical transaction records. The Company also utilizes certain credit enhancement tools, such as

requiring customers to prepay for goods, at appropriate times to mitigate credit risk for specific customers.

In addition, the Company reviews the recoverable amount of each receivable at the balance sheet date to ensure that appropriate impairment losses have been recognized for uncollectible receivables. Based on this, management believes that the Company's credit risk has been significantly mitigated.

The Company recognizes allowances for accounts receivable based on expected credit losses over the remaining life of the receivables. Expected credit losses over the life of the receivable are calculated using a provision matrix, which takes into account the customer's past default history, current financial condition, and industry economic conditions. As the Company's historical experience with credit losses indicates that there are no significant differences in loss patterns among different customer groups, the provision matrix does not further distinguish between customer groups but instead sets overdue credit loss rates based solely on the number of days past due for accounts receivable.

If there is evidence that a counterparty is facing severe financial difficulties and the Company cannot reasonably expect to recover the amount due, such as when the counterparty is undergoing liquidation, the Company writes off the related accounts receivable directly; however, collection activities will continue, and any amounts recovered through such activities are recognized in profit or loss.

The Company measures the allowance for doubtful accounts (including related parties) based on the provision matrix as follows:

#### December 31, 2025

	<u>Not past due</u>	<u>Past due 1-30 days</u>	<u>Past due 31-60 days</u>	<u>Past due 61-90 days</u>	<u>Overdue 91-120 days</u>	<u>Overdue 120 days or more</u>	<u>Total</u>
Expected Credit Loss Rate	0.003%	0.02%	2.52%	11.73%	72.57%	100%	
Total Book Value	\$ 523,881	\$ 90,360	\$ 3,394	\$ 563	\$ 576	\$ 61	\$ 618,835
Allowance for Losses (Expected Credit Losses Over the Life of the Loan)	( 15 )	( 20 )	( 53 )	( 1 )	( 45 )	( 61 )	( 195 )
Amortized cost	<u>\$ 523,866</u>	<u>\$ 90,340</u>	<u>\$ 3,341</u>	<u>\$ 562</u>	<u>\$ 531</u>	<u>\$ -</u>	<u>\$ 618,640</u>

#### December 31, 2024

	<u>Not past due</u>	<u>Past due</u>	<u>Past due</u>	<u>Past due</u>	<u>Overdue</u>	<u>Overdue</u>	<u>Total</u>
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		1-30 days	31-60 days	61-90 days	91-120 days	120 days or more	
Expected Credit Loss Rate	0.01%	0.04%	51.69%	89.95%	100%	100%	
Total Book Value	\$ 451,639	\$ 69,246	\$ 2,664	\$ 165	\$ -	\$ 27	\$ 523,741
Allowance for Losses (Expected Credit Losses Over the Life of the Loan)	( 32 )	( 27 )	( 726 )	( 149 )	-	( 27 )	( 961 )
Amortized cost	<u>\$ 451,607</u>	<u>\$ 69,219</u>	<u>\$ 1,938</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 522,780</u>

Changes in the allowance for doubtful accounts are as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 961	\$ 22
Plus: Impairment loss recognized during the current year	-	939
Less: Reversal of impairment loss for the current year	( 766 )	-
Balance at year-end	<u>\$ 195</u>	<u>\$ 961</u>

### (3) Other Receivables

The Company has assessed the expected recoverable amount of other receivables based on the debtors' past default records, current financial status, and projected future economic conditions. As the expected recoverable amount is deemed to be approximately equal to the original carrying amount, no allowance for losses is required.

### 10. Inventories

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Merchandise	<u>\$ 25,252</u>	<u>\$ 17,760</u>

The nature of cost of goods sold is as follows:

	<u>2025</u>	<u>2024</u>
Cost of inventory sold	\$ 1,259,268	\$ 902,290
Loss (Gain) on Inventory Write-downs and Obsolescence	( 1,004 )	930
	<u>\$ 1,258,264</u>	<u>\$ 903,220</u>

### 11. Investments accounted for using the equity method

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Investments in</u>		
<u>Subsidiaries—Unlisted</u>		
<u>Companies</u>		
Cable Garden Holdings Limited	\$ 464,663	\$ 454,248
LINKUPON INTERNATIONAL	145,496	139,242

## LIMITED

Vsovn Electronics (HANOI)  
Company Limited

<u>277,676</u>	<u>153,642</u>
<u>\$ 887,835</u>	<u>\$ 747,132</u>

<u>Name of Subsidiary</u>	<u>Percentage of Ownership and Voting Rights</u>	
	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Cable Garden Holdings Limited	100%	100%
LINKUPON INTERNATIONAL LIMITED	60%	60%
Vsovn Electronics (HANOI) Company Limited	100%	100%

The Company received cash dividends of NT\$15,600 thousand and NT\$12,600 thousand from LINKUPON INTERNATIONAL LIMITED in fiscal years 2025 and 2024, respectively.

On March 13, 2025, the Company's Board of Directors approved a capital increase of US\$5,000 thousand for Vsovn Electronics (HANOI) Company Limited to meet its funding needs for the construction of a factory and the purchase of production equipment. In fiscal year 2025, the Company remitted NT\$143,392 thousand (US\$4,500 thousand).

For details of the Company's indirectly held investee subsidiaries, please refer to Note 35.

Investments accounted for using the equity method for the years ended 2025 and 2024, and the Company's share of the subsidiaries' net income and other comprehensive income, were recognized based on the subsidiaries' audited financial statements for the respective periods.

12. Property, Plant, and Equipment

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Other</u>	<u>Construction in Progress</u>	<u>Total</u>
<u>Cost</u>							
Balance as of January 1, 2025	\$ 65,705	\$ 41,995	\$ 10,744	\$ 3,575	\$ 17,157	\$ -	\$ 139,176
Add	31,872	14,026	2,868	-	16,517	-	65,283
Disposition	-	-	-	-	( 333)	-	( 333)
Balance as of December 31, 2025	<u>\$ 97,577</u>	<u>\$ 56,021</u>	<u>\$ 13,612</u>	<u>\$ 3,575</u>	<u>\$ 33,341</u>	<u>\$ -</u>	<u>\$ 204,126</u>
<u>Accumulated Depreciation</u>							
Balance as of January 1, 2025	\$ -	(\$ 8,558)	(\$ 3,805)	(\$ 1,081)	(\$ 7,647)	\$ -	(\$ 21,091)
Depreciation expense	-	( 1,560)	( 1,048)	( 670)	( 2,177)	-	( 5,455)
Disciplinary Action	-	-	-	-	333	-	333
Balance as of December 31, 2025	<u>\$ -</u>	<u>(\$ 10,118)</u>	<u>(\$ 4,853)</u>	<u>(\$ 1,751)</u>	<u>(\$ 9,491)</u>	<u>\$ -</u>	<u>(\$ 26,213)</u>

## (ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

Net amount as of December 31, 2025	<u>\$ 97,577</u>	<u>\$ 45,903</u>	<u>\$ 8,759</u>	<u>\$ 1,824</u>	<u>\$ 23,850</u>	<u>\$ -</u>	<u>\$ 177,913</u>
<u>Cost</u>							
Balance as of January 1, 2024	\$ 65,705	\$ 41,995	\$ 10,744	\$ 535	\$ 13,049	\$ 2,539	\$ 134,567
Increase	-	-	-	3,040	1,348	221	4,609
Reclassification	-	-	-	-	2,760	( 2,760)	-
Balance as of December 31, 2024	<u>\$ 65,705</u>	<u>\$ 41,995</u>	<u>\$ 10,744</u>	<u>\$ 3,575</u>	<u>\$ 17,157</u>	<u>\$ -</u>	<u>\$ 139,176</u>
<u>Accumulated depreciation</u>							
Balance as of January 1, 2024	\$ -	(\$ 7,465)	(\$ 2,948)	(\$ 366)	(\$ 5,552)	\$ -	(\$ 16,331)
Depreciation expense	-	( 1,093)	( 857)	( 715)	( 2,095)	-	( 4,760)
Balance as of December 31, 2024	<u>\$ -</u>	<u>(\$ 8,558)</u>	<u>(\$ 3,805)</u>	<u>(\$ 1,081)</u>	<u>(\$ 7,647)</u>	<u>\$ -</u>	<u>(\$ 21,091)</u>
Net amount as of December 31, 2024	<u>\$ 65,705</u>	<u>\$ 33,437</u>	<u>\$ 6,939</u>	<u>\$ 2,494</u>	<u>\$ 9,510</u>	<u>\$ -</u>	<u>\$ 118,085</u>

Depreciation expense is calculated on a straight-line basis using the following useful lives:

Buildings and structures	30 to 50 years
Machinery and equipment	3 to 10 years
Transportation equipment	5 years
Other	2 to 10 years

For the amount of real estate, plant, and equipment pledged as collateral for loans, please refer to Note 31.

### 13. Lease Agreements

#### Other Lease Information

	<u>2025</u>	<u>2024</u>
Short-Term Lease Expenses and Low-Value Assets		
Lease Expenses	<u>\$ 434</u>	<u>\$ 381</u>
Total cash (outflow) from leases	( <u>\$ 434</u> )	( <u>\$ 381</u> )

The Company has elected to apply the exemption for the recognition of parking spaces that qualify as short-term leases and office equipment and warehouse facilities that qualify as low-value asset leases, and does not recognize related right-of-use assets or lease liabilities for such leases.

### 14. Intangible Assets

<u>Cost</u>	<u>Computer Software</u>	<u>Patent licenses</u>	<u>Total</u>
Balance as of January 1, 2025	\$ 9,328	\$ 21,595	\$ 30,923
Earned	<u>1,584</u>	<u>9,960</u>	<u>11,544</u>
Balance as of December 31, 2025	<u>\$ 10,912</u>	<u>\$ 31,555</u>	<u>\$ 42,467</u>
<u>Accumulated amortization</u>			
Balance as of January 1, 2025	\$ 3,832	\$ 10,476	\$ 14,308
Amortization expense	<u>2,112</u>	<u>5,998</u>	<u>8,110</u>

<u>Cost</u>	<u>Computer Software</u>	<u>Patent licenses</u>	<u>Total</u>
Balance as of December 31, 2025	<u>\$ 5,944</u>	<u>\$ 16,474</u>	<u>\$ 22,418</u>
Net amount as of December 31, 2025	<u>\$ 4,968</u>	<u>\$ 15,081</u>	<u>\$ 20,049</u>
Balance as of January 1, 2024	\$ 7,994	\$ 12,443	\$ 20,437
Earned	<u>1,334</u>	<u>9,152</u>	<u>10,486</u>
Balance as of December 31, 2024	<u>\$ 9,328</u>	<u>\$ 21,595</u>	<u>\$ 30,923</u>
<u>Accumulated amortization</u>			
Balance as of January 1, 2024	\$ 1,726	\$ 6,222	\$ 7,948
Amortization expense	<u>2,106</u>	<u>4,254</u>	<u>6,360</u>
Balance as of December 31, 2024	<u>\$ 3,832</u>	<u>\$ 10,476</u>	<u>\$ 14,308</u>
Net amount as of December 31, 2024	<u>\$ 5,496</u>	<u>\$ 11,119</u>	<u>\$ 16,615</u>

Amortization expenses are calculated on a straight-line basis over the following useful lives:

Patent licenses	4 years
Computer software	3 to 7 years

Aggregate amortization expense by function:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cost of sales	\$ 5,998	\$ 4,254
Selling expenses	112	112
Administrative expenses	540	381
R&D expenses	<u>1,460</u>	<u>1,613</u>
	<u>\$ 8,110</u>	<u>\$ 6,360</u>

#### 15. Other Assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Prepayments	\$ 7,354	\$ 1,535
Other	<u>31</u>	<u>31</u>
	<u>\$ 7,385</u>	<u>\$ 1,566</u>
<u>Non-current</u>		
Deposits (Note 31)	\$ 540	\$ 524
Prepayment for real estate acquisition	-	14,285
Other	<u>315</u>	<u>402</u>
	<u>\$ 855</u>	<u>\$ 15,211</u>

16.Loans

## (1) Short-term Loans

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bank Credit Facilities	\$ 157,100	\$ -
Bank-Guaranteed Loans	<u>27,378</u>	<u>34,750</u>
	<u>\$ 184,478</u>	<u>\$ 34,750</u>

As of December 31, 2025, the interest rates on unsecured bank loans ranged from 4.704% to 4.7463%. As of December 31, 2025 and 2024, the secured bank loans were guaranteed by Chairman Chien Chung-cheng in his personal capacity, with interest rates of 2.262% and 0.50%, respectively.

In May 2024, the Company entered into a loan agreement with a bank for NT\$35,000 thousand under the “Ministry of Economic Affairs Low-Carbon Smart Grid Project Loan.” The Ministry of Economic Affairs subsidized the floating interest rate on a two-year fixed-term deposit with Chunghwa Post for one year. As of December 31, 2024, the Company’s actual interest rate was 0.50%. The loan term runs from May 13, 2024, to May 13, 2025, with interest paid monthly and principal repaid at maturity.

## (2) Long-term Borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured Loans</u>		
Bank Loans	\$ 125,790	\$ 10,000
Less: Discount on government grant	( <u>1,496</u> )	( <u>147</u> )
	<u>\$ 124,294</u>	<u>\$ 9,853</u>

In March 2025 and December 2024, the Company entered into loan agreements with banks for NT\$49,249 thousand and NT\$10,000 thousand, respectively, under the "National Development Fund Overseas Investment Financing Project Loan" program. The loan periods were from March 6, 2025, to December 10, 2030, and from December 10, 2024, to December 10, 2030, respectively. Principal and interest are to be repaid monthly following a 24-month grace period. Chairman Chien Chung-cheng served as a joint and several guarantor for these loans in his personal capacity.

In December 2025, the Company entered into separate loan agreements with banks for NT\$46,741 thousand and NT\$19,800 thousand under the “National Development Fund’s Special Loan Program for Overseas Investment Financing.” The loan periods are from December 9, 2025, to December 10, 2039, and from December 29, 2025, to December 10, 2039, respectively. Principal and interest are repaid monthly following a 24-month grace period. Chairman Jian Zhongzheng serves as a joint and several guarantor for this loan in his personal capacity.

As of December 31, 2025, and December 31, 2024, the interest rates on the loans were 1.773784% and 1.772019%, respectively.

#### 17. Accounts Payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Accounts Payable</u>		
Arising from operations	<u>\$ 5,958</u>	<u>\$ 4,722</u>

The Company’s average credit period for purchasing goods is 30 to 120 days on a monthly basis.

#### 18. Other Liabilities

	<u>December 31, 2015</u>	<u>December 31, 2024</u>
<u>Current</u>		
<u>Other Payables</u>		
Salaries and bonuses payable	\$ 28,198	\$ 28,078
Insurance premiums payable	1,590	1,324
Accrued employee compensation	9,741	8,449
Accrued directors' compensation	3,562	3,748
Sales tax payable	-	856
Other	<u>15,136</u>	<u>7,850</u>
	<u>\$ 58,227</u>	<u>\$ 50,305</u>
<u>Other Liabilities</u>		
Refund liability (Note 22)	\$ 6,676	\$ 2,247
Deferred income from government grants (Notes 16 and 27)	532	292
Other	<u>1,183</u>	<u>1,185</u>
	<u>\$ 8,391</u>	<u>\$ 3,724</u>
<u>Non-current</u>		
<u>Other Liabilities</u>		

Deferred income from government grants (Notes 16 and 27)	<u>\$ 964</u>	<u>\$ 105</u>
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19. Provisions

<u>Current</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Warranty	<u>\$ 1,764</u>	<u>\$ 1,157</u>

The warranty liability provision represents the present value of management's best estimate of future economic outflows resulting from warranty obligations, as specified in product sales contracts. This estimate is based on historical warranty experience and adjusted to account for new raw materials, changes in manufacturing processes, or other factors affecting product quality.

20. Post-Employment Benefit Plans

## (1) Defined Contribution Plan

The Company's pension system, which is subject to the "Labor Pension Act," is a government-administered defined-contribution pension plan. Under this plan, 6% of each employee's monthly salary is contributed to an individual account held at the Bureau of Labor Insurance.

## (2) Defined Benefit Plan

The Company's pension system, administered in accordance with the "Labor Standards Act" of the Republic of China, is a government-administered defined benefit pension plan. Pension payments to employees are calculated based on years of service and the average monthly wage for the six months prior to the approved retirement date. The Company contributes 2% of employees' total monthly salaries to the retirement fund, which is deposited into a special account at the Bank of Taiwan in the name of the Labor Retirement Reserve Fund Supervisory Committee. If, prior to the end of the fiscal year, the estimated balance in the special account is insufficient to cover payments for employees expected to meet retirement eligibility criteria in the following year, the Company will make a lump-sum contribution to cover the shortfall by the end of March of the following year. This special account is managed by

the Bureau of Labor Fund Management under the Ministry of Labor, and the Company has no authority to influence investment management strategies.

In fiscal year 2023, the Company reached an agreement with employees covered by the defined benefit pension plan to settle their service years. In January 2024, the competent authority approved the cancellation of the Labor Pension Reserve Fund account, and the settlement of the pension reserve account at Bank of Taiwan was completed in April 2024. Following the settlement, in addition to recovering the prepaid pension of NT\$373 thousand as of December 31, 2023, an overpayment of NT\$524 thousand was also recovered, recorded as NT\$19 thousand under interest income and NT\$505 thousand under other income.

## 21. Equity

### (1) Share Capital

#### Common Stock

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Authorized Shares (thousands)	<u>60,000</u>	<u>60,000</u>
Authorized Capital	<u>\$ 600,000</u>	<u>\$ 600,000</u>
Number of shares issued and fully paid-in (in thousands)	<u>43,848</u>	<u>41,716</u>
Issued capital	<u>\$ 438,488</u>	<u>\$ 417,165</u>

Each issued common share has a par value of NT\$10 and entitles the holder to one vote and the right to receive dividends.

On July 23, 2024, the Company's Board of Directors resolved to issue 3,660 thousand shares through a pre-listing cash capital increase, with a par value of NT\$10 per share. This resolution was approved by the Taiwan Over-the-Counter Securities Market (OTC) on August 9, 2024, under Approval No.1130007053; The aforementioned cash capital increase included a premium issuance at a price of NT\$100.73 per share for employee subscription and public subscription. The total proceeds from the issuance, net of underwriting fees and other related expenses, amounted to NT\$365,577 thousand and have been fully received.

September 27, 2024, was designated as the record date for the capital

increase, and the registration of the change was completed on October 14, 2024.

In fiscal year 2024, the Company recorded 434 thousand shares from the exercise of employee stock options granted on February 1, 2021, 55 thousand shares from options granted on October 1, 2021, and 37 thousand shares from options granted on June 1, 2022, with exercise prices of NT\$20, NT\$20, and NT\$30 per share, respectively. the registration of these changes was completed by December 31, 2024.

In fiscal year 2025, due to the exercise of 46,000 employee stock options granted on June 1, 2022, with a subscription price of NT\$30 per share, the record date for the capital increase was set as July 7, 2025, and the registration of the change was completed on July 17, 2025.

For details regarding the issuance of employee stock options, please refer to Note 26.

## (2) Capital Surplus

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Available for offsetting losses, cash distribution, or capitalization (Note)</u>		
Share Premium	\$ 565,260	\$ 563,750
<u>Available for offset against losses</u>		
Other—Exercise of reclassification rights	1,184	928
<u>Cannot be used for any purpose</u>		
Employee stock options	<u>3,110</u>	<u>836</u>
	<u>\$ 569,554</u>	<u>\$ 565,514</u>

Note: Such capital reserves may be used to offset losses, or, when the company has no losses, to distribute cash or be transferred to capital stock; however, when transferred to capital stock, the amount is limited to a certain percentage of the paid-in capital stock each year.

The reconciliation of the balances of various capital reserves for the periods from January 1 to December 31, 2025 and 2024, is as follows:

	Share Premium Premium	Employee Stock Options	Other	Total
Balance as of January 1, 2025	\$ 563,750	\$ 836	\$ 928	\$ 565,514
Recognition of equity-based payments	-	2,854	-	2,854
Exercise of stock options by employees	1,510	( 580)	-	930
Exercise of the right of reclassification	-	-	256	256
Balance as of December 31, 2025	<u>\$ 565,260</u>	<u>\$ 3,110</u>	<u>\$ 1,184</u>	<u>\$ 569,554</u>
Balance as of January 1, 2024	\$ 223,467	\$ 4,377	\$ -	\$ 227,844
Cash Capital Increase	328,977	-	-	328,977
Recognition of equity-based payments	-	2,129	-	2,129
Exercise of stock options by employees	11,306	( 5,670)	-	5,636
Exercise of reclassification rights	-	-	928	928
Balance as of December 31, 2024	<u>\$ 563,750</u>	<u>\$ 836</u>	<u>\$ 928</u>	<u>\$ 565,514</u>

### (3) Retained Earnings and Dividend Policy

In accordance with the Company's Articles of Incorporation regarding the distribution of earnings, when distributing earnings, the Company shall first estimate and set aside amounts for taxes payable, then cover any losses in accordance with the law, and next set aside 10% as a statutory reserve fund; however, this provision does not apply if the statutory reserve fund has already reached the amount of paid-in capital. The remainder shall be set aside or reversed as a special reserve in accordance with laws, regulations, and the requirements of the competent authorities; if there are still surpluses after deducting the aforementioned items, the Board of Directors shall draft a resolution on the distribution of such surpluses together with the undistributed surpluses from the beginning of the same period and submit it to the shareholders' meeting for resolution. If the Company distributes all or part of its dividends and bonuses in cash, the Board of Directors is authorized to make a resolution and report it to the shareholders' meeting.

In addition, pursuant to the Company's Articles of Incorporation, surplus distribution may be made in the form of cash dividends or stock dividends, with the surplus distribution amounting to no less than 35% of the distributable surplus and cash dividends amounting to no less than 20% of the total dividend amount for that distribution. The aforementioned ratio of surplus available for distribution and the ratio of cash dividends to shareholders may be adjusted by resolution of the shareholders' meeting in light of actual profits and capital conditions.

For the Company's policies regarding the distribution of employee compensation and compensation for directors and supervisors as stipulated in the Articles of Incorporation, please refer to Note 23(7) "Employee Compensation and Directors' Compensation."

The statutory reserve shall be set aside until its balance reaches the total amount of the Company's paid-in capital. The statutory reserve may be used to offset losses. When the Company has no losses, the portion of the statutory reserve exceeding 25% of the total paid-in capital may be distributed in cash, in addition to being capitalized.

When the Company sets aside a special reserve from the net amount of other equity deductions accumulated in prior periods, if the retained earnings from prior periods are insufficient for such allocation, the amount shall be allocated from the current period's net profit after tax plus the amount of items other than net profit after tax included in the current period's retained earnings.

The Company's earnings distribution proposals for fiscal years 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Allocation to Statutory Reserve	<u>\$ 18,545</u>	<u>\$ 11,495</u>
(Reversal) Allocation to Special Reserve	<u>(\$ 18,209)</u>	<u>\$ 11,815</u>
Cash dividends to shareholders	<u>\$ 83,433</u>	<u>\$ 75,921</u>
Stock dividends to shareholders	<u>\$ 20,858</u>	<u>\$ -</u>
Cash Dividend per Share (NT\$)	\$ 2.0	\$ 2.0

Stock dividend per share (NT\$)	\$ 0.5	\$ -
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The aforementioned cash dividends to shareholders were approved by the Board of Directors on March 13, 2025, and March 28, 2024, respectively, while the remaining items of surplus distribution were approved by the Annual General Meeting of Shareholders on May 12, 2025, and May 15, 2024, respectively.

The aforementioned stock dividends to shareholders were approved by the Annual General Meeting of Shareholders on May 12, 2025, through a resolution to issue 2,086 thousand shares by capitalizing retained earnings, with a par value of NT\$10 per share. The record date for the capital increase was set as July 7, 2025, and the registration of the change was completed on July 17, 2025.

The Company's Board of Directors proposed the following profit distribution plan for the 2025 fiscal year at its meeting on March 12, 2026:

	<u>2025</u>
Allocation to Statutory Reserve	<u>\$ 18,955</u>
Allocation to Special Reserve	<u>\$ 17,258</u>
Cash dividends to shareholders	<u>\$ 108,952</u>
Cash Dividend per Share (NT\$)	\$ 2.50

The cash dividends to shareholders mentioned above have been approved by the Board of Directors; the remainder is pending approval at the Annual General Meeting of Shareholders scheduled for May 12, 2026.

(4) Special Reserve

	<u>2025</u>	<u>2024</u>
Beginning Balance	\$ 52,481	\$ 40,666
Allocation (Reversal) of Special Reserve	( 18,029)	<u>11,815</u>
Year-end balance	<u>\$ 34,452</u>	<u>\$ 52,481</u>

(5) Exchange differences arising from the translation of financial statements of foreign operations

	<u>2025</u>	<u>2024</u>
Beginning balance	(\$ 34,451)	(\$ 52,481)
Exchange differences arising from the translation of financial statements of foreign operations	( <u>17,258</u> )	<u>18,030</u>
Year-end balance	( <u>\$ 51,709</u> )	( <u>\$ 34,451</u> )

## (6) Treasury Stock

	<u>Shares transferred to employees (thousands of shares)</u>
Number of shares as of January 1, 2025	-
Increase for the Current Year	<u>268</u>
Number of shares as of December 31, 2025	<u>268</u>

On April 16, 2025, the Company's Board of Directors resolved to repurchase shares from the centralized market for transfer to employees. The repurchase period was from April 17, 2025, to June 13, 2025. The Company repurchased a total of 268 thousand shares treasury shares at a cost of NT\$28,969 thousand. As of December 31, 2025, the market value of the treasury shares was NT\$31,892 thousand.

In accordance with the Securities and Exchange Act, the treasury shares held by the Company may not be pledged, and the Company is not entitled to dividends or voting rights.

22. Revenue

	<u>2025</u>	<u>2024</u>
Revenue from customer contracts		
Revenue from Sales of Goods	\$ 1,638,638	\$ 1,176,694
Compensation revenue	<u>17,459</u>	<u>23,085</u>
	<u>\$ 1,656,097</u>	<u>\$ 1,199,779</u>

## (1) Description of Customer Contracts

In accordance with commercial practice, the Company's revenue from sales derives from the sale of various connectivity cables for smart IoT, cloud computing, industrial control, medical, and automotive applications. For certain customers, based on their transaction history over the past year, the Company estimates the amount of discounts using the most

probable amount and recognizes a refund liability (classified as other current liabilities). Please refer to Note 18.

## (2) Contract Balance

	December 31, 2025	December 31, 2024	January 1, 2024
Notes Receivable (Note 9)	<u>\$ -</u>	<u>\$ 462</u>	<u>\$ 118</u>
Accounts receivable (Note 9)	<u>\$ 597,997</u>	<u>\$ 504,390</u>	<u>\$ 298,193</u>
Accounts receivable—related parties (Note 30)	<u>\$ 20,643</u>	<u>\$ 18,390</u>	<u>\$ 28,458</u>
Contract liabilities—current	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362</u>

The amounts recognized as revenue during the current period from contract liabilities at the beginning of the year and performance obligations satisfied in prior periods are as follows:

	2025	2024
<u>From contract liabilities at the beginning of the year</u>		
Sales of goods	<u>\$ -</u>	<u>\$ 362</u>

## (3) Breakdown of Revenue from Customer Contracts

	2025	2024
AIoT Smart IoT Application		
Cable Assemblies	\$ 816,220	\$ 498,396
Computer and Consumer Electronics Cable Assemblies	117,929	101,975
Other – Cable Assemblies	<u>721,948</u>	<u>599,408</u>
	<u>\$ 1,656,097</u>	<u>\$ 1,199,779</u>

23. Net Income for the Current Year

Net profit for the current year includes the following items:

## (1) Interest income

	2025	2024
Interest Income		
Bank Deposits	\$ 1,055	\$ 1,293
Loans to related parties (Note 30)	3,039	715
Interest on deposits	-	4
Bonds with repurchase agreements	5,058	1,016
Other	<u>-</u>	<u>19</u>
	<u>\$ 9,152</u>	<u>\$ 3,047</u>

## (2) Other Income

	<u>2025</u>	<u>2024</u>
Rental income (Note 30)	\$ 600	\$ 600
Government grant income (Note 27)	475	349
Others	<u>4,439</u>	<u>2,121</u>
	<u>\$ 5,514</u>	<u>\$ 3,070</u>

## (3) Other gains and losses

	<u>2025</u>	<u>2024</u>
Gain on disposal of property, plant, and equipment	\$ 31	\$ 35
Loss on financial assets measured at fair value through profit or loss (Note 7)	( 4,264)	( 788)
Net foreign exchange (loss) gain	<u>( 14,226)</u>	<u>13,540</u>
	<u>(\$ 18,459)</u>	<u>\$ 12,787</u>

## (4) Financial Expenses

	<u>2025</u>	<u>2024</u>
Interest on bank borrowings (Note 27)	<u>\$ 6,321</u>	<u>\$ 4,312</u>

## (5) Depreciation and Amortization

	<u>2025</u>	<u>2024</u>
Depreciation Expense by Function		
Operating Expenses	<u>\$ 5,455</u>	<u>\$ 4,760</u>
Summary of Amortization Expenses by Function		
Cost of Sales	\$ 5,998	\$ 4,254
Operating expenses	<u>2,112</u>	<u>2,106</u>
	<u>\$ 8,110</u>	<u>\$ 6,360</u>

For details on the allocation of amortization expense for intangible assets to individual bank items, please refer to Note 14.

## (6) Employee benefit expenses

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 137,452	\$ 120,099
Share-based payments		
Settlement of equity	2,854	2,022

Post-employment benefits		
Defined Contribution Plan	<u>4,953</u>	<u>4,146</u>
Total Employee Benefit		
Expenses	<u>\$ 145,259</u>	<u>\$ 126,267</u>
Summary by Function		
Operating Expenses	<u>\$ 145,259</u>	<u>\$ 126,267</u>

## (7) Employee Compensation and Director Compensation

The Company shall allocate 2% to 10% of the pre-tax profit for the current fiscal year, after setting aside an amount to offset losses and before deducting employee and director compensation, as employee compensation, and shall allocate no more than 2% as director compensation. Pursuant to the amendment to the Securities and Exchange Act in August 2024, the Company passed a resolution at the 2025 Annual General Meeting to amend its Articles of Incorporation, stipulating that no less than 15% of the aforementioned allocation for employee remuneration shall be distributed as remuneration for frontline employees.

The employee and director remuneration for fiscal years 2025 and 2024 were resolved by the Board of Directors on March 12, 2026, and March 13, 2025, respectively, as follows:

Estimated Ratio

	<u>2025</u>	<u>2024</u>
Employee Compensation	4.00%	3.50%
Director Compensation	1.46%	1.55%

Amount

	<u>2025</u>	<u>2024</u>
Employee Compensation		
(Cash)	<u>\$ 9,741</u>	<u>\$ 8,449</u>
Director compensation (cash)	<u>\$ 3,562</u>	<u>\$ 3,748</u>

If amounts change after the date of issuance of the annual separate financial statements, such changes will be treated as changes in accounting estimates and recorded as adjustments in the following fiscal year.

There is no difference between the actual amounts distributed for employee compensation in fiscal years 2024 and 2023 and the amounts recognized in the separate financial statements for those years.

For the aforementioned information regarding employee compensation and director compensation as resolved by the Company's Board of Directors, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.

## 24. Income Tax

### (1) Major components of income tax expense recognized in profit or loss

	<u>2025</u>	<u>2024</u>
Current Income Tax		
Arising in the current year	\$ 40,588	\$ 28,483
Surcharge on undistributed earnings	4,033	786
Adjustments from prior years	( 5,200)	382
	<u>39,421</u>	<u>29,651</u>
Deferred income tax		
Arising in the current year	<u>1,252</u>	<u>13,978</u>
Income tax expense recognized in profit or loss	<u>\$ 40,673</u>	<u>\$ 43,629</u>

The reconciliation between taxable income and income tax expense is as follows:

	<u>2025</u>	<u>2024</u>
Net Income Before Tax	<u>\$ 230,222</u>	<u>\$ 229,201</u>
Income tax calculated at the statutory tax rate on pre-tax net income	\$ 46,044	\$ 45,840
Non-deductible expenses	51	185
Tax-exempt income	( 4,255)	( 3,564)
Surcharge on undistributed earnings	4,033	786
Adjustment to prior-year current income tax expense for the current year	( 5,200)	382
Income tax expense recognized in profit or loss	<u>\$ 40,673</u>	<u>\$ 43,629</u>

### (2) Income tax expense recognized in other comprehensive income

	<u>2025</u>	<u>2024</u>
<u>Deferred income taxes</u>		
Arising in the current period		
– Remeasurement of defined benefit plans	<u>\$ -</u>	<u>(\$ 87)</u>

## (3) Deferred Income Tax Assets and Liabilities

<u>2025</u>				
	<u>Opening Balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in Other Comprehensive Income</u>	<u>Year-End Balance</u>
<u>Deferred income tax assets</u>				
Temporary differences				
Loss on inventory write-downs	\$ 425	(\$ 201)	\$ -	\$ 224
Unrealized gross profit on sales	82	96	-	178
Other	<u>600</u>	<u>1,178</u>	<u>-</u>	<u>1,778</u>
	<u>\$ 1,107</u>	<u>\$ 1,073</u>	<u>\$ -</u>	<u>\$ 2,180</u>
<u>Deferred income tax liability</u>				
Temporary differences				
Income from investments accounted for using the equity method	\$ 33,718	\$ 1,870	\$ -	\$ 35,588
Other	<u>1,118</u>	<u>455</u>	<u>-</u>	<u>1,573</u>
	<u>\$ 34,836</u>	<u>\$ 2,325</u>	<u>\$ -</u>	<u>\$ 37,161</u>
 <u>2024</u>				
	<u>Beginning balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Year-end balance</u>
<u>Deferred income tax assets</u>				
Temporary differences				
Loss on inventory write-downs	\$ 239	\$ 186	\$ -	\$ 425
Unrealized gross profit on sales	175	( 93)	-	82
Others	<u>1,023</u>	<u>( 423)</u>	<u>-</u>	<u>600</u>
	<u>\$ 1,437</u>	<u>(\$ 330)</u>	<u>\$ -</u>	<u>\$ 1,107</u>
<u>Deferred income tax liability</u>				
Temporary differences				
Income from investments accounted for using the equity method	\$ 20,932	\$ 12,786	\$ -	\$ 33,718
Defined Benefit Pension Plan	75	( 162)	87	-
Other	<u>94</u>	<u>1,024</u>	<u>-</u>	<u>1,118</u>
	<u>\$ 21,101</u>	<u>\$ 13,648</u>	<u>\$ 87</u>	<u>\$ 34,836</u>

## (4) Current income tax assets and liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current income tax liabilities		
Current Income Tax		
Liabilities	<u>\$ 28,596</u>	<u>\$ 9,610</u>

## (5) Income Tax Assessment Status

The Company's corporate income tax returns for periods up to and including the 2023 fiscal year have been assessed by the tax authorities.

25. Earnings Per Share

	<u>2025</u>	<u>2024</u>
Basic Earnings Per Share	<u>\$ 4.34</u>	<u>\$ 4.55</u>
Diluted earnings per share	<u>\$ 4.33</u>	<u>\$ 4.52</u>

The impact of the bonus share issuance has been retroactively adjusted for the calculation of earnings per share. The record date for the bonus share issuance was set as July 7, 2025. As a result of the retroactive adjustment, the changes in basic and diluted earnings per share for the period from January 1 to December 31, 2024, are as follows:

	<u>Before retroactive adjustment</u>	<u>After retroactive adjustment</u>
Basic Earnings Per Share	<u>\$ 4.78</u>	<u>\$ 4.55</u>
Diluted earnings per share	<u>\$ 4.74</u>	<u>\$ 4.52</u>

The net income and weighted average number of common shares used to calculate earnings per share are as follows:

<u>Net income for the current year</u>		
	<u>2025</u>	<u>2024</u>
Net income used to calculate basic/diluted earnings per share	<u>\$ 189,549</u>	<u>\$ 185,572</u>
<u>Number of shares</u>		
	Unit: Thousands of shares	
	<u>2025</u>	<u>2024</u>
Weighted average number of common shares used to calculate basic earnings per share	43,662	40,765
Effect of dilutive potential common shares:		

Employee stock options	28	202
Employee compensation	<u>94</u>	<u>121</u>
Weighted average number of common shares used to calculate diluted earnings per share	<u>43,784</u>	<u>41,088</u>

If the Company has the option to grant employee compensation in the form of stock or cash, the calculation of diluted earnings per share assumes that the employee compensation will be granted in the form of stock, and the potential ordinary shares are included in the weighted average number of shares outstanding to calculate diluted earnings per share when such potential ordinary shares have a dilutive effect. When calculating diluted earnings per share prior to the annual shareholders' meeting at which the number of shares to be issued for employee compensation is resolved, the dilutive effect of such potential common shares continues to be taken into account.

## 26. Share-based Payment Agreements

### (1) Employee Stock Option Plan for Cash Capital Increase

On July 23, 2024, the Company's board of directors resolved to conduct a pre-listing cash capital increase reserved for employee subscription, with the number of shares subscribed by employees amounting to 189 thousand shares. The compensation cost recognized for the 2024 fiscal year was NT\$1,395 thousand.

The Company uses the Black-Scholes valuation model for the employee stock options granted. The input values used in the valuation model are as follows:

Stock price on grant date	NT\$106.77 per share
Exercise price	NT\$100.73 per share
Expected Volatility	44.98%
Duration	9 days
Risk-free rate	1.3138%

### (2) Employee Stock Option Plan

1) On April 14, 2022, the Company's Board of Directors resolved to adopt the "2022 First Employee Stock Option Certificate Issuance and Subscription Rules." On June 1, 2022, the Company granted 200 units

of employee stock options to employees, with each unit entitling the holder to subscribe for 1,000 shares of the Company's common stock. Following Board approval, the warrants may be issued in installments and delivered through the issuance of new shares. The recipients are the Company's business and non-business employees who meet specific criteria. The term of the employee stock options is four years. For employees in business units, after one year from the grant date and upon meeting the financial performance targets of their respective departments, the warrant holder may exercise stock options equivalent to one-third of the units granted by the Company; After two years from the grant date and upon meeting the financial performance targets of their respective departments, certificate holders may exercise stock options representing one-third of the units granted by the Company; after three years from the grant date and upon the Company meeting the financial performance targets, certificate holders may exercise stock options representing one-third of the units granted by the Company; For employees in non-business units, after one year from the grant date, the holder may exercise stock option certificates representing 40% of the units granted by the Company; after two years from the grant date and upon the Company meeting the financial performance criteria, the holder may exercise stock option certificates representing 30% of the units granted by the Company; After three years from the grant date and upon the Company's meeting of financial performance targets, the warrant holder may exercise warrants representing 30% of the units granted by the Company. The exercise price is set at NT\$30 per share. Following the issuance of the warrants, should the Company's common stock undergo a capital reduction to offset losses, the exercise price shall be adjusted in accordance with the prescribed formula.

- 2) On December 27, 2023, the Company's Board of Directors resolved to adopt, and on May 15, 2024, the Board amended, the "Regulations on the Issuance and Exercise of the First Employee Stock Option Certificates of 2023." The total number of stock options to be granted

to employees is expected to be 300 units, with each unit entitling the holder to subscribe for 1,000 shares of the Company's common stock, which may be issued in installments following Board approval and delivered through the issuance of new shares. The recipients are the Company's employees who meet specific eligibility criteria. On October 8, 2024, 130 units of employee stock options were granted. The term of these stock options is four years. Two years after the grant date, the option holder may exercise stock options representing 50% of the total units granted by the Company; After three years from the grant date, the holder may exercise stock options for 50% of the units granted by the Company. The exercise price for the stock options granted on October 8, 2024, is NT\$105 per share. Following the issuance of the stock options, if the Company's common stock undergoes a capital reduction to offset losses, the exercise price shall be adjusted in accordance with the prescribed formula.

- 3) On March 13, 2025, the Company's Board of Directors resolved to adopt, and on August 11, 2025, amended, the "2025 First Employee Stock Option Certificate Issuance and Subscription Regulations." The total number of stock options to be granted to employees is expected to be 300 units, with each unit entitling the holder to subscribe for 1,000 shares of the Company's common stock, which may be issued in tranches following Board approval and delivered through the issuance of new shares. The recipients are employees of the Company and its controlled or affiliated companies who meet specific eligibility criteria. On August 20, 2025, 185 units of employee stock options were granted. The term of these stock options is four years. Two years after the grant date, the option holder may exercise stock options representing 50% of the total units granted by the Company; After three years from the grant date, the holder may exercise stock options for 50% of the units granted by the Company. The exercise price for the stock options granted on August 20, 2025, is NT\$75 per share. Following the issuance of the stock options, should there be any changes in the

Company's common stock, the exercise price shall be adjusted in accordance with the relevant provisions of the stock option plan.

Relevant information regarding employee stock options is as follows:

Employee Stock Options	2025		2024	
	Quantity (units)	Weighted Average Exercise Price (NTD/share)	Number (units)	Weighted average Exercise Price (CNY/share)
Outstanding Shares at Beginning of Year	176	176 87.06	631	21.83
Current-Year Benefits	185	75	130	105
Expirations for the current year	-	-	( 59)	20
Implemented this year	( 46)	30	( 526)	20.71
Outstanding at year-end	<u>315</u>	87.38	<u>176</u>	87.06
Exercisable at year-end	<u>-</u>	-	<u>-</u>	-

As of the balance sheet date, information regarding outstanding employee stock warrants is as follows:

130 units granted on October 8, 2024		185 units granted on August 20, 2025	
Exercise price Range (NT\$)	Weighted-average remaining contractual life (years)	Range of Range (NT\$)	Weighted average remaining contract term (years)
\$105	2.83	\$75	3.64

The Company uses the Black-Scholes valuation model to value employee stock options. The input values used in the valuation model are as follows:

	February 1, 2021 2,055 units granted	October 1, 2021 250 units granted	June 1, 2022 200 units granted	October 8, 2024 130 units granted	August 20, 2025 185 units granted
Market price on grant date	NT\$23.58 per share	25.69 per share	NT\$34.24 per share	105.00 per share	109.50 yuan per share
Exercise price	20 yuan per share	20 yuan per share	30 yuan per share	105 yuan per share	75 yuan per share
Expected Volatility	35.04%–36.69%	38.90%–41.42%	41.79%–46.94%	35.80%–37.79%	35.41%–42.04%
Term	4 years	3.33 years	4 years	4 years	4 years
Expected dividend yield	0%	0%	0%	0%	0%
Risk-free rate	0.16%–0.23%	0.25%–0.27%	0.90%–1.02%	1.369%–1.3897%	1.2004%–1.2199%

The Company's recognized compensation costs for fiscal years 2025 and 2024 were NT\$2,854 thousand and NT\$627 thousand, respectively.

## 27. Government Grants

In May 2024, the Company obtained a government-subsidized loan of NT\$35,000 thousand under the “Ministry of Economic Affairs Low-Carbon Smart Grid Project Loan” program. The Ministry of Economic Affairs subsidized the floating interest rate on a two-year fixed-term deposit with Chunghwa Post for one year. Based on the market interest rate of 2.22% at the time of borrowing, the fair value of the loan was estimated at NT\$34,404 thousand. The difference of NT\$596 thousand between the proceeds received and the fair value of the loan is treated as a government low-interest loan subsidy and recognized as deferred income.

In December 2024, the Company entered into a loan agreement with a bank for NT\$10,000 thousand under the “National Development Fund’s Overseas Investment Financing Program.” Based on the market interest rate of 2.195% at the time of borrowing, the fair value of the loan was estimated at NT\$9,850 thousand. The difference of NT\$150 thousand between the proceeds received and the fair value of the loan is treated as a government low-interest loan subsidy and recognized as deferred income.

In March 2025, the Company entered into a loan agreement with a bank for NT\$49,249 thousand under the “National Development Fund’s Overseas Investment Financing Program.” Based on the prevailing market interest rate of 2.196% at the time of the loan, the fair value of the loan was estimated at NT\$48,532 thousand. The difference of NT\$717 thousand between the proceeds received and the fair value of the loan is treated as a government low-interest loan subsidy and recognized as deferred income.

In December 2025, the Company entered into separate loan agreements with banks totaling NT\$46,741 thousand and NT\$19,800 thousand under the “National Development Fund’s Overseas Investment Financing Program.” Using the prevailing market interest rate of 2.196% at the time of borrowing, the estimated fair values of the loans were NT\$46,135 thousand and NT\$19,548 thousand, respectively. The differences between the proceeds received and the fair value of the loans, amounting to NT\$605 thousand and NT\$252 thousand, respectively, were treated as government low-interest loan subsidies and recognized as deferred income.

In 2025 and 2024, the Company recognized other income—government grants of NT\$475 thousand and NT\$349 thousand, respectively, and recognized interest expense on these loans of NT\$475 thousand and NT\$471 thousand, respectively.

## 28. Cash Flow Information and Capital Risk Management

### (1) Changes in Liabilities from Financing Activities

#### 2025

	<u>January 1, 2025</u>	<u>Cash Flow</u>	<u>Non-cash Changes Government grants</u>	<u>December 31, 2025</u>
Short-term borrowings	\$ 34,750	\$ 149,478	\$ 250	\$ 184,478
Long-term debt	<u>9,853</u>	<u>115,790</u>	<u>( 1,349)</u>	<u>124,294</u>
	<u>\$ 44,603</u>	<u>\$ 265,268</u>	<u>( \$ 1,099)</u>	<u>\$ 308,772</u>

#### 2024

	<u>January 1, 2024</u>	<u>Cash Flow</u>	<u>Non-cash changes Government grants</u>	<u>December 31, 2024</u>
Short-term borrowings	\$ 183,314	( \$ 148,314)	( \$ 250)	\$ 34,750
Long-term debt	<u>-</u>	<u>10,000</u>	<u>( 147)</u>	<u>9,853</u>
	<u>\$ 183,314</u>	<u>( \$ 138,314)</u>	<u>( \$ 397)</u>	<u>\$ 44,603</u>

### (2) Capital Risk Management

The Company manages its capital to ensure that, on a going-concern basis, shareholder returns are maximized by optimizing the balance of debt and equity.

The Company's capital structure consists of equity (i.e., share capital, capital reserves, retained earnings, and other equity items).

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

## 29. Financial Instruments

(1) Fair Value Information—Financial Instruments Not Measured at Fair Value  
Management believes that the carrying amounts of financial assets and liabilities not measured at fair value approximate their fair values.

(2) Fair Value Information—Financial Instruments Measured at Fair Value on a Recurring Basis

### 1) Fair Value Hierarchy

#### December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial liabilities at fair value through profit or loss—current</u>				
Derivatives	<u>\$ -</u>	<u>\$ 1,904</u>	<u>\$ -</u>	<u>\$ 1,904</u>

## 2) Valuation techniques and inputs for Level 2 fair value measurements

<u>Category of Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivatives—Forward Foreign Exchange Contracts	Discounted cash flow method: Future cash flows are estimated based on observable forward exchange rates at the end of the period and the exchange rates specified in the contract, and are discounted separately using discount rates that reflect the credit risk of each counterparty.

## (3) Type of Financial Instrument

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial Assets</u>		
Measured at amortized cost (Note 1)	\$ 1,108,140	\$ 917,104
<u>Financial liabilities</u>		
Measured at fair value through profit or loss		
Held for trading (Note 2)	1,904	-
Measured at amortized cost (Note 3)	568,255	267,104

Note 1: The balance includes cash, financial assets measured at amortized cost, notes receivable, accounts receivable, accounts receivable-related parties, other receivables, other receivables-related parties, and security deposits, all of which are financial assets measured at amortized cost.

Note 2: The balance includes forward foreign exchange contracts.

Note 3: The balance includes short-term borrowings, accounts payable, accounts payable—related parties, other payables, other payables—related parties, and long-term borrowings, all of which are financial liabilities measured at amortized cost.

## (4) Financial Risk Management Objectives and Policies

The Company's financial risk management objectives are to manage financial risks associated with operating activities, including market risks (such as foreign exchange and interest rate risks), credit risks, and liquidity risks. To mitigate these financial risks, the Company is committed to identifying, assessing, and implementing strategies to hedge against market uncertainties, thereby reducing the adverse impact of market fluctuations on the Company's financial position and performance. The Company's significant financial activities are implemented following resolutions by the Board of Directors. During the execution of financial plans, the Company adheres to the provisions of its policies.

#### 1) Market Risk

The primary financial risks to which the Company is exposed as a result of its operating activities are foreign exchange rate risk (see (1) below), interest rate risk (see (2) below), and other price risks (see (3) below).

There have been no changes in the Company's exposure to market risks associated with financial instruments or in the methods used to manage and measure such exposures.

##### i. Foreign Exchange Risk

The Company engages in sales and purchasing transactions denominated in foreign currencies, thereby exposing the Company to exchange rate risk. Approximately 94% of the Company's sales and approximately 99% of its costs are denominated in currencies other than the Company's functional currency.

For the carrying amounts of the Company's monetary assets and liabilities denominated in non-functional currencies as of the balance sheet date, please refer to Note 34.

##### Sensitivity Analysis

The Company is primarily exposed to fluctuations in the U.S. dollar exchange rate.

The table below details the Company's sensitivity analysis for a 1% increase and decrease in the exchange rate between the New Taiwan Dollar (functional currency) and the U.S. Dollar. The 1% figure is

the sensitivity ratio used internally by the Company when reporting foreign exchange risk to senior management, and it represents management's assessment of the range of reasonably possible fluctuations in foreign exchange rates. The sensitivity analysis includes only monetary foreign currency items outstanding and adjusts their closing balances based on a 1% change in exchange rates. The positive figures in the table below represent the increase or decrease in pre-tax net profit when the New Taiwan Dollar depreciates by 1% against the respective currencies; conversely, when the New Taiwan Dollar appreciates by 1% against the respective foreign currencies, the impact on pre-tax net profit will be a negative amount of the same magnitude.

	Impact of the U.S. Dollar	
	2025	2024
Profit/Loss	<u>\$ 4,605</u> (i)	<u>\$ 3,182</u> (i)

- i) Primarily attributable to the Company's U.S. dollar-denominated bank deposits, accounts receivable, and accounts payable that were outstanding as of the balance sheet date and for which no cash flow hedges had been established.
- ii) The Company's increased sensitivity to exchange rates during the current year is primarily due to an increase in net foreign currency assets denominated in U.S. dollars.
- ii. Interest Rate Risk

The Company manages interest rate risk by maintaining an appropriate mix of fixed and floating interest rates. The carrying amounts of the Company's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date are as follows:

	December 31, 2025	December 31, 2024
Financial Assets and Liabilities at Fair Value Subject to Interest Rate Risk		
— Financial assets	\$ 406,278	\$ 352,959
— Financial liabilities	124,294	9,853
Exposed to cash flow interest		

rate risk		
– Financial assets	81,745	38,116
– Financial liabilities	184,478	34,750

### Sensitivity Analysis

The following sensitivity analysis is based on the interest rate exposure of derivative and non-derivative instruments as of the balance sheet date. For floating-rate liabilities, the analysis assumes that the outstanding liability amounts as of the balance sheet date remain outstanding throughout the reporting period. The Company's internal reporting to key management personnel uses a 1% increase or decrease in interest rates, which also represents management's assessment of the reasonably possible range of interest rate fluctuations.

If interest rates increased/decreased by 1%, with all other variables held constant, the Company's pre-tax net profit for fiscal years 2025 and 2024 would increase/decrease by NT\$ (1,027) thousand and NT\$34 thousand, respectively. This is primarily due to an increase in the Company's short-term bank borrowings with variable interest rates.

## 2) Credit Risk

Credit risk refers to the risk of financial loss to the Company resulting from a counterparty's default on contractual obligations. As of the balance sheet date, the Company's maximum credit risk exposure to financial loss arising from a counterparty's failure to fulfill obligations and financial guarantees provided by the Company primarily stems from:

- i. The carrying amounts of financial assets recognized in the individual balance sheet.
- ii. The maximum amount the Company may be required to pay under financial guarantees it has provided, regardless of the likelihood of occurrence.

The Company's policy is to conduct transactions only with counterparties of excellent credit standing and, where necessary, to

obtain adequate collateral to mitigate the risk of financial loss arising from default. The Company continuously monitors credit exposure and the credit ratings of counterparties, and controls credit exposure through credit limits for counterparties that are reviewed and approved annually by management.

To mitigate credit risk, the Company's management is responsible for determining credit limits, approving credit facilities, and implementing other control procedures to ensure that appropriate actions are taken to collect past-due accounts receivable. In addition, the Company reviews the recoverable amounts of accounts receivable on an individual basis as of the balance sheet date to ensure that appropriate impairment losses have been recognized for uncollectible accounts receivable. Based on this, management believes that the Company's credit risk has been significantly mitigated.

The Company's credit risk is primarily concentrated on specific customers; as of December 31, 2025 and 2024, the proportion of accounts receivable attributable to these customers was 28% and 49%, respectively.

### 3) Liquidity Risk

The Company manages and maintains sufficient cash balances to support its operations and mitigate the impact of cash flow fluctuations. The Company's management monitors the utilization of bank credit facilities and ensures compliance with the terms of loan agreements.

Bank borrowings are an important source of liquidity for the Company. As of December 31, 2025 and 2024, the Company had unused credit facilities; please refer to the notes on credit facilities in (3) below.

#### i. Table of Liquidity and Interest Rate Risks for Non-Derivative Financial Liabilities

The maturity analysis of non-derivative financial liabilities is prepared based on the undiscounted cash flows (including principal and estimated interest) of the financial liabilities, using the earliest date on which the Company could be required to repay. Therefore,

bank borrowings for which the Company could be required to repay immediately are included in the earliest period in the table below, regardless of the probability that the bank will exercise that right immediately; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates.

The table below details the remaining contractual maturity analysis of the Company's non-derivative financial liabilities by agreed repayment period, which is prepared based on the earliest date on which the Company may be required to repay, using the undiscounted cash flows of the financial liabilities (including principal and estimated interest).

December 31, 2025

Non-derivative financial liabilities	Less than 1 year	1–5 years	5–10 years	10–15 years
Non-interest-bearing liabilities	\$ 259,483	\$ -	\$ -	\$ -
Floating-rate instruments	184,710	-	-	-
Fixed-rate instruments	<u>1,913</u>	<u>125,790</u>	<u>-</u>	<u>-</u>
	<u>\$ 446,106</u>	<u>\$ 125,790</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2024

Non-derivative financial liabilities	Less than 1 year	1–5 years	5–10 years	10–15 years
Non-interest-bearing liabilities	\$ 222,501	\$ -	\$ -	\$ -
Variable-rate instruments	35,086	-	-	-
Fixed-rate instruments	<u>188</u>	<u>10,441</u>	<u>-</u>	<u>-</u>
	<u>\$ 257,775</u>	<u>\$ 10,441</u>	<u>\$ -</u>	<u>\$ -</u>

ii. Statement of Liquidity and Interest Rate Risk for Derivative Financial Liabilities

For the liquidity analysis of derivative financial instruments, for derivatives settled on a net basis, the analysis is prepared based on the undiscounted net contractual cash inflows and outflows; for derivatives settled on a gross basis, the analysis is prepared based on the undiscounted gross cash inflows and outflows. When the amounts

payable or receivable are not fixed, the disclosed amounts are determined based on estimated interest rates derived from the yield curve as of the balance sheet date.

December 31, 2025

	Due within one month	1 to 3 months	3 months to 1 year	1-5 years	Total
<u>Net settlement</u>					
Forward Foreign Exchange	<u>\$ 901</u>	<u>\$ 1,003</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,904</u>

(3)Credit Limit

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured Bank Loan Limit		
– Amount Utilized	\$ 157,100	\$ -
– Unused Amount	<u>152,900</u>	<u>120,000</u>
	<u>\$ 310,000</u>	<u>\$ 120,000</u>
Secured bank loan facility		
– Amount drawn down	\$ 153,168	\$ 45,000
– Unused Amount	<u>176,832</u>	<u>245,000</u>
	<u>\$ 330,000</u>	<u>\$ 290,000</u>

30.Related-Party Transactions

Except as disclosed in other notes, transactions between the Company and related parties are as follows.

(1) Name of Related Party and Relationship

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Advantech Co., Ltd.	Parent company of a significant investor
Advanixs Corporation	Parent company of a significant investor
LNC Technology Co., Ltd.	Affiliated company of the investor with significant influence (Note)
Advantech Corporation (U.S.A.)	Affiliated company of a significant investor
Advantech Europe B.V.	Affiliated companies of the investor with significant influence
VSO Electronics (Suzhou) Co., LTD.	Subsidiary
	Subsidiary
Dongguan VSO Electronics Co., LTD.	
Ji An VSO Electronics Co., LTD.	Subsidiary
LINKUPON INTERNATIONAL LIMITED	Subsidiary
VSO (Viet Nam) Electronics Co., LTD.	Subsidiary



\$ 1,192,230                      \$ 868,882

The purchase prices listed above are based on the costs incurred by subsidiaries for procurement or production, as well as the Company's order prices.

## (4) Receivables from Related Parties (excluding loans to related parties)

Accounting Item	Category/Name of Related Party	December 31, 2025	December 31, 2024
Accounts Receivable— Related Party	Parent company of a significant investor		
	Advantech Co., Ltd. Subsidiary	\$ 12,808	\$ 13,330
	Ji An VSO Electronics Co., LTD.	4,887	3,939
	VSO (Viet Nam) Electronics Co., LTD.	2,948	873
	LINKUPON INTERNATIONAL LIMITED	<u>-</u>	<u>248</u>
		<u>\$ 20,643</u>	<u>\$ 18,390</u>
Other receivables — Related Parties	Subsidiaries		
	LINKUPON INTERNATIONAL LIMITED	\$ -	\$ 40
	VSO Electronics (Suzhou) Co., LTD.	18	70
	VSO (Viet Nam) Electronics Co., LTD.	213	764
	Ji An VSO Electronics Co., LTD.	<u>43</u>	<u>56</u>
		<u>\$ 274</u>	<u>\$ 930</u>

The payment terms for sales to related parties are 60 days net.

No guarantees have been received for outstanding receivables from related parties. No allowance for doubtful accounts was recorded for receivables from related parties as of December 31, 2025 and 2024.

## (5) Payables to Related Parties (excluding borrowings from related parties)

Account Title	Related Party Category/Name	December 31, 2025	December 31, 2024
Accounts Payable— Related Parties	Subsidiary		
	Ji An VSO Electronics Co., LTD.	\$ 167,891	\$ 146,872
	VSO Electronics (Suzhou) Co., LTD.	4,686	5,414
	VSO (Viet Nam) Electronics Co., LTD.	<u>50,210</u>	<u>42,978</u>
		<u>\$ 222,787</u>	<u>\$ 195,264</u>
Other	Subsidiaries		

payables			
– Related Parties	Ji An VSO Electronics Co., LTD.	<u>\$ 709</u>	<u>\$ 288</u>

Payment terms with subsidiaries are 30 to 90 days net.

The outstanding balance of payables to related parties is unsecured.

#### (6) Lease Agreements

Lease revenue is summarized as follows:

<u>Category/Name of Related Party</u>	<u>2025</u>	<u>2024</u>
Subsidiary LINKUPON INTERNATIONAL LIMITED	<u>\$ 600</u>	<u>\$ 600</u>

The total future lease payments to be received are as follows:

<u>Related Party Category/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiary LINKUPON INTERNATIONAL LIMITED	<u>\$ 600</u>	<u>\$ 600</u>

LINKUPON INTERNATIONAL LIMITED leases office space from the Company; the rent is determined based on market rates and is collected on a monthly basis.

#### (7) Transactions with Other Related Parties

The Company received mold testing revenue from the parent company of a significant investor, which was recognized as other income of NT\$17 thousand in fiscal year 2024.

The Company paid fees to the parent company of a significant investor for the use of a supply chain e-platform; these amounts were recognized as “Selling Expenses—Other Expenses” in the amounts of NT\$32 thousand and NT\$34 thousand for fiscal years 2025 and 2024, respectively.

#### (8) Loans to Related Parties

<u>Category/Name of Related Party</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiary VSO (Viet Nam) Electronics Co., LTD.	<u>\$ 28,278</u>	<u>\$ 14,751</u>

Interest Income

<u>Relationship Category/Name</u>	<u>2025</u>	<u>2024</u>
Subsidiary		
VSO (Viet Nam) Electronics Co., LTD.	<u>\$ 3,039</u>	<u>\$ 715</u>

The Company has provided short-term unsecured loans to VSO (Viet Nam) Electronics Co., LTD. at interest rates close to market rates. These loans are expected to be recovered within one year, and no expected credit losses have been identified following an assessment.

#### (9) Guarantees

In fiscal years 2025 and 2024, the Company acted as a joint and several guarantor for purchase and sale contracts signed between LINKUPON INTERNATIONAL LIMITED and its suppliers, with the guarantee liability not exceeding NT\$150,000 thousand.

#### (10) Key Management Compensation

	<u>2025</u>	<u>2024</u>
Short-term Employee Benefits	\$ 40,256	\$ 33,018
Share-based payments	598	489
Post-employment benefits	<u>1,289</u>	<u>1,013</u>
	<u>\$ 42,143</u>	<u>\$ 34,520</u>

The compensation of directors and other key management personnel is determined by the Compensation Committee based on individual performance and market trends.

#### 31. Assets Pledged as Collateral

The following assets have been pledged as collateral for the Company's long-term and short-term bank loans and as security deposits for leased vehicles, warehouses, offices, and factories:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land	\$ 25,532	\$ 25,532
Buildings and Structures	12,718	13,143
Deposit margin	<u>540</u>	<u>524</u>
	<u>\$ 38,790</u>	<u>\$ 39,199</u>

#### 32. Unrecognized Contractual Commitments

Except as disclosed in other notes, the Company's unrecognized contractual commitments as of the balance sheet date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Acquisition of property, plant, and equipment	<u>\$ -</u>	<u>\$ 32,338</u>

### 33. Significant Subsequent Events

To support long-term development and strengthen its financial structure, the Company's Board of Directors resolved on November 10, 2025, to issue a domestic unsecured convertible corporate bond with a maximum aggregate principal amount of NT\$450,000 thousand, with a maturity of 3 years, to be issued at par value with a coupon rate of 0%. The issuance was approved by the Financial Supervisory Commission on January 13, 2026, under Letter No. 1140368921. The record date for determining the conversion price was set as February 26, 2026, the conversion price was set at NT\$126 per share, and the full subscription amount of NT\$492,958 thousand was received on March 18, 2026.

### 34. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information is presented in a currency other than the Company's functional currency. The exchange rates disclosed are those used to convert such foreign currencies into the functional currency. Foreign currency assets and liabilities with a significant impact are as follows:

	<u>December 31, 2025</u>		<u>Carrying Amount</u>
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	
<u>Financial Assets</u>			
<u>Monetary items</u>			
U.S. Dollar	\$ 22,240	31.42 (USD: NTD)	\$ 698,790
<u>Non-monetary items</u>			
Investments accounted for using the equity method			
Vietnamese Dong	231,818,286	0.0012 (VND : NTD)	277,676
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
US Dollars	7,585	31.42 (USD: NTD)	238,318

<u>December 31, 2024</u>				
	<u>Foreign Currency</u>	<u>Exchange Rate</u>		<u>Carrying Amount</u>
<u>Financial Assets</u>				
<u>Monetary items</u>				
U.S. Dollar	\$ 15,835	32.78	(USD: NTD)	\$ 519,086
<u>Non-monetary items</u>				
Investments accounted for using the equity method				
Vietnamese Dong	119,285,846	0.0013	(VND : NTD)	153,642
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
US Dollars	6,127	32.78	(USD: NTD)	200,840

The Company's foreign exchange gains and losses for 2025 and 2024 were a net loss of NT\$(14,226) thousand and a net gain of NT\$13,540 thousand, respectively. Due to the wide variety of foreign currency transactions, it is not possible to disclose foreign exchange gains and losses by currency for each significant impact.

### 35. Notes to the Financial Statements

#### (1) Information on Significant Transactions:

- 1) Loans to third parties: See Schedule 1.
- 2) Guarantees Provided for Others: Schedule 2.
- 3) Significant marketable securities held at the end of the period (excluding investments in subsidiaries): Schedule 3.
- 4) Transactions with related parties involving purchases or sales of NT\$100 million or more, or 20% or more of paid-in capital: Schedule 4.
- 5) Amounts receivable from related parties reaching NT\$100 million or 20% or more of paid-in capital: Schedule 5.

#### (2) Information on investee companies: Schedule 6.

#### (3) Information on investments in mainland China:

- 1) Names of investee companies in the Mainland, principal business activities, paid-in capital, investment method, capital inflows and

outflows, shareholding percentage, investment gains or losses, carrying amount of investment at the end of the period, repatriated investment gains or losses, and investment limits in the Mainland: Schedule 7.

- 2) Significant transactions with investee companies in Mainland China, whether direct or indirect via a third region, including prices, payment terms, and unrealized gains or losses: Appendices 4 and 5.
  - i. Purchases by amount and percentage, and the year-end balances and percentages of related accounts payable.
  - ii. The amount and percentage of sales, and the year-end balance and percentage of related accounts receivable.
  - iii. Amounts of property transactions and the resulting gains or losses.
  - iv. The ending balances of endorsements, guarantees, or collateral provided, and their purposes.
  - v. The maximum balance, ending balance, interest rate range, and total interest for the period of credit facilities.
  - vi. Other transactions that have a material impact on current profit or loss or financial position, such as the provision or receipt of services.

## VSO ELECTRONICS CO., LTD.

## Loans to Others

January 1 to December 31, 2025

Schedule 1

Unit: Unless otherwise specified  
in thousands of New Taiwan Dollars

No.	Company to Which Funds Were Loaned	Borrower	Transaction Type	Is it a Related Party	Highest balance for the period (Note 4)	Ending balance (Note 4)	Actual amount disbursed (Note 4)	Interest Rate Range	Nature of the Loan (Note 1)	Transaction Amount	Reasons for the Need for Short-Term Financing	Allowance for Doubtful Accounts Amount of Bad Debts	Collateral		For individual counterparties Loan limit (Note 2)	Loan Total limit (Note 3)	Remarks
													N a m e	V a l u e			
0	VSO ELECTRONICS CO., LTD.	VSO (Viet Nam) Electronics Co., LTD.	Other Receivables – Related parties	Yes	\$ 124,109 (USD 3,950,000)	\$ -	\$ -	May 22–May 4	2	\$ -	Working Capital	\$ -	-	\$ -	\$ 621,534	\$ 621,534	
1	VSO ELECTRONICS CO., LTD.	VSO (Viet Nam) Electronics Co., LTD.	Other Receivables – Related parties	Yes	28,278 (USD 900,000)	28,278 (USD 900,000)	28,278 (USD 900,000)	4.83	1	328,195	Business Transactions	-	-	-	167,097	621,534	

Note 1: The nature of the loan should be reported as follows:

(1) Enter 1 for business associates.

(2) If short-term financing is necessary, enter 2.

Note 2: For individual loan amounts based on business dealings, the limit shall not exceed 50% of the total business dealings between the parties; for individual loan amounts based on the necessity of short-term financing, the limit shall not exceed 40% of the net worth.

Note 3: The total amount of funds lent by the Company shall not exceed 40% of the Company's net worth, and the limit for any individual borrower shall not exceed 40% of the Company's net worth.

Note 4: New Taiwan Dollar amounts are converted based on the year-end exchange rate.

VSO ELECTRONICS CO., LTD.  
Endorsements and Guarantees for Others  
January 1, 2025 to December 31, 2025

Schedule 2

Unit: Unless otherwise specified  
in thousands of New Taiwan Dollars

No.	Name of Endorsing Company	Party to Whom the Endorsement is Guaranteed		Per single enterprise Endorsement Guarantee Limit (Note 1)	Maximum Endorsement for the Current Period Balance (Note 2)	End-of-period Guarantee Balance (Note 2)	Actual Amount Disbursed (Note 2)	Guaranteed by collateral Endorsed guarantee amount	Ratio of cumulative endorsement guarantees to net worth in the most recent financial statements (%)	Endorsement guarantees Maximum Limit (Note 1)	Endorsement guarantees from the parent company to subsidiaries	Endorsements and guarantees by subsidiaries to the parent company	Endorsement guarantees for the Mainland	Remarks
		Company Name	Relationship											
0	VSO ELECTRONICS CO., LTD.	LINKUPON INTERNATIONAL LIMITED	Companies in which the company directly or indirectly holds more than 60% of the voting rights	\$ 466,150	\$ 150,000	\$ 150,000	\$ 116,833	\$ -	9.65%	\$ 1,243,068	Y	N	N	
		Hongjun Energy Co., Ltd. (Preparatory Office) (Note 2)	Companies in which the Company directly or indirectly holds more than 51% of the voting shares	466,150	30,000	30,000	-	-	1.93%	1,243,068	Y	N	N	
		VSO (Viet Nam) Electronics Co., LTD.	A company in which the Company directly and indirectly holds 100% of the voting shares	621,534	172,810 (USD 5,500 thousand)	172,810 (USD 5,500 thousand)	44,300 (USD 1,410 thousand)	-	11.12%	1,243,068	Y	N	N	

Note 1: The aggregate amount of external guarantees provided by the Company and its subsidiaries shall not exceed 80% of the net worth of each company as shown in its most recent financial statements. The amount of guarantees provided by the Company for any single subsidiary shall not exceed 30% of the net worth of that company as shown in its most recent financial statements; the amount of guarantees provided by the Company for any single subsidiary in which it holds 100% of the voting shares, whether directly or indirectly, shall not exceed 40% of the net worth of that company as shown in its most recent financial statements.

Note 2: On August 11, 2025, the Company's Board of Directors resolved that, to assist the newly established new energy subsidiary "Hongjun Energy Co., Ltd." in obtaining bank credit facilities to meet its operational needs, the Company will provide a guarantee to facilitate its application to Taipei Fubon Bank for working capital and a letter of credit facility, in the amount of NT\$30,000 thousand, which may only be utilized after the subsidiary is formally established. The subsidiary's name has been provisionally approved and reserved by the Ministry of Economic Affairs; as of December 31, 2025, the subsidiary had not yet been established. Additionally, on March 12, 2026, the Company's Board of Directors approved the cancellation of the plan to establish a new energy subsidiary in Taiwan, "Hongjun Energy Co., Ltd.," and the cancellation of this endorsement guarantee limit.

Note 3: New Taiwan Dollar amounts are converted based on the year-end exchange rate.

## VSO ELECTRONICS CO., LTD.

## Status of Marketable Securities Held at the End of the Period

December 31, 2025

Schedule 3

Unit: Unless otherwise noted,  
in NT\$ thousand

Holding Company	Type and Name of Securities	Relationship with the Issuer of the Securities	Accounting classification	Year-end				Remarks
				Number of Shares/Units	Carrying Amount	Ownership Percentage (%)	Fair Value	
VSO ELECTRONICS CO., LTD.	Callable Bonds P13 China Life 1A (Note)	None	Financial assets measured at amortized cost—current	-	\$ 78,000	-	\$ 78,000	

Note 1: The collateral for the repurchase agreement consists of Cathay Life Insurance Co., Ltd.'s 2024 Series 1 Unsecured Cumulative Subordinated Corporate Bonds.

Note 2: The disclosure standard applies to significant transactions between the Company and its affiliates where the transaction amount exceeds 1% of total assets.

## VSO ELECTRONICS CO., LTD.

Purchases from or sales to related parties amounting to NT\$100 million or more, or 20% or more of paid-in capital

January 1, 2025 to December 31, 2025

Schedule 4

Unit: NT\$ thousand

Purchases (Sales) Company	Name of Counterparty	Relationship	Transaction Details				Transaction terms differ from standard terms Circumstances and Reasons		Notes Receivable (Payable), Accounts Receivable (Payable)		Remarks
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales) Ratio	Credit Period	Unit Price	Credit Period	Balance	Ratio to total notes receivable (payable) and accounts receivable (payable) Ratio	
VSO ELECTRONICS CO., LTD.	Ji An VSO Electronics Co., LTD.	Subsidiary	Purchases	\$ 844,705	68%	60-day monthly settlement	Priced according to internal transfer pricing method	—	( \$ 167,891)	( 73%)	—
Ji An VSO Electronics Co., LTD.	VSO ELECTRONICS CO., LTD.	Parent Company	Sales	( 844,705)	( 69%)	60-day monthly settlement	Pricing based on internal transfer method	—	167,891	58%	—
VSO Electronics (Suzhou) Co., LTD.	Ji An VSO Electronics Co., LTD.	Affiliated Companies	Purchases	164,938	63%	60-day monthly settlement	Priced according to internal transfer pricing method	—	( 40,218)	( 65%)	—
Ji An VSO Electronics Co., LTD.	VSO Electronics (Suzhou) Co., LTD.	Affiliated Companies	Sales	( 164,938)	( 13%)	60-day monthly settlement	Priced according to internal transfer pricing method	—	40,218	14%	—
VSO (Viet Nam) Electronics Co., LTD.	Ji An VSO Electronics Co., LTD.	Affiliated Companies	Purchases	100,839	25%	60-day monthly settlement	Priced according to internal transfer pricing method	—	( 42,174)	( 68%)	—
Ji An VSO Electronics Co., LTD.	VSO (Viet Nam) Electronics Co., LTD.	Affiliated Companies	Sales	( 100,839)	( 15%)	60-day monthly settlement	Priced according to internal transfer pricing method	—	42,174	17%	—
VSO ELECTRONICS CO., LTD.	VSO (Viet Nam) Electronics Co., LTD.	Subsidiary	Purchases	328,195	26%	60-day monthly settlement	Priced according to internal transfer pricing method	—	( 50,210)	( 22%)	—
VSO (Viet Nam) Electronics Co., LTD.	VSO ELECTRONICS CO., LTD.	Parent Company	Sales	( (328,195)	( 83%)	Monthly settlement, 60 days	Priced based on internal transfer method	—	50,210	81%	—
Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	LINKUPON INTERNATIONAL LIMITED	Parent Company	Purchases	132,813	46%	60-day net	Priced according to internal transfer pricing method	—	( 22,985)	( 47%)	—
LINKUPON INTERNATIONAL LIMITED	Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	Subsidiary	Sales	( 132,813)	( 41%)	60-day monthly settlement	Pricing based on internal transfer method	—	22,985	39%	—

VSO ELECTRONICS CO., LTD.

Receivables from related parties amounting to NT\$100 million or more, or 20% or more of paid-in capital

December 31, 2025

Schedule 5

Unit: Unless otherwise specified,  
in NT\$ thousand

Company listed as a receivable	Name of counterparty	Relationship	Balance of receivables from related parties Balance (Note)	Turnover Ratio	Past-due receivables from related parties		Receivables from Related Parties Amounts recovered after the reporting period	Provision Amount of loss
					Amount	Treatment		
Ji An VSO Electronics Co., LTD.	VSO ELECTRONICS CO., LTD.	Parent Company	\$ 167,891	5.37	\$ -	-	\$ 167,891	\$ -

## VSO ELECTRONICS CO., LTD.

Information on investee companies, locations, and other relevant details

January 1 to December 31, 2025

Schedule 6

Unit: Unless otherwise specified  
in NT\$ thousand

Name of Investing Company	Name of Investee Company	Location	Principal Business Activities	Initial Investment Amount		Holding at End of Period			Investee Profit (Loss) for the Period	Investment (Gain) or (Loss) Recognized for the Period	Investment (Loss) for the Period	Remarks
				Balance at the end of the current period	Number of shares	Number of shares	Ratio	Book Value				
VSO ELECTRONICS CO., LTD.	Cable Garden Holdings Limited	Samoa	Investment holding business	\$ 314,786	\$ 314,786	10,224,804	100%	\$ 464,663	\$ 14,703	\$ 14,404	Note 1	
	LINKUPON INTERNATIONAL LIMITED	Taiwan	Sales of engineering plastics for optical, automotive, and 3C product applications	90,000	90,000	9,000,000	60%	145,496	35,451	21,271		
	Vsovn Electronics (HANOI) Company Limited	Vietnam	Manufacturing and sales of various types of cables for smart IoT, cloud computing, industrial control, medical, and automotive applications	302,998 (US 9,500 thousand)	159,606 (USD5,000 thousand)	-	100%	277,676	(5,054) (VND4,212,560 thousand)	(5,054) (VND4,212,560 thousand)		
Cable Garden Holdings Limited	VSO (Viet Nam) Electronics Co., LTD.	Vietnam	Manufacturing and sales of various types of cables for smart IoT, cloud computing, industrial control, medical, and automotive applications	60,847 (US 2,000 thousand)	60,847 (USD2,000 thousand)	-	100%	71,384	(5,564) (VND4,637,353 thousand)	(5,018) (VND4,181,331 thousand)	Note 2	
	Cleveland Investment Limited	Samoa	Investment holding business	56,101	56,101	1,700,000	100%	97,723	6,724	6,724		
LINKUPON INTERNATIONAL LIMITED	Linkupon International Holdings, Limited	Samoa	Investment holding business	71,444	71,444	2,407,795	100%	156,540	9,668	9,668		

Note 1: The investment loss recognized through 2025 consists of a reversal of the unrealized gross profit of NT\$2,800 thousand from upstream transactions at the beginning of the year, plus the addition of the unrealized gross profit of NT\$3,099,000 from upstream transactions at the end of the year; the book value is calculated by deducting the unrealized profit of NT\$893 thousand from downstream transactions.

Note 2: The investment gain recognized through 2025 consists of the reversal of an unrealized gross loss on sales of NT\$4 thousand from cross-current transactions at the beginning of the year, plus the addition of an unrealized gross loss of NT\$542 thousand from cross-current transactions at the end of the year.

Note 3: For information regarding investee companies in mainland China, please refer to Appendix 7.

VSO ELECTRONICS CO., LTD.  
Information on Investments in Mainland China  
January 1 to December 31, 2025

Schedule 7

Unit: Unless otherwise specified  
in NT\$ thousand

Name of Investee Company in Mainland China	Principal Business Activities	Paid-in Capital	Method of Investment	Balance at the beginning of the period Remitted from Taiwan Cumulative Investment Amount	Investment Amount Remitted or Recovered During the Period		End of Period Remitted from Taiwan Accumulated investment amount	Investee Current period (loss)	Direct or indirect investment by the Company Ownership percentage	Recognized in the current period Gain (Loss) on Investments (Note 1)	Investments at End of Period Carrying Value	As of the end of the current period Investment income repatriated	Remarks
					Remitted	Recovered							
Ji An VSO Electronics Co., LTD.	Manufacturing and sales of various types of cables for smart IoT, cloud computing, industrial control, medical, and automotive applications	\$ 175,176 (USD 2,800 thousand and RMB 17,600 thousand)	Note 4	\$ 83,052 (USD 2,800 thousand)	\$ -	\$ -	\$ 83,052 (USD 2,800 thousand)	\$ 12,106 (RMB 2,793 thousand)	100%	\$ 12,106 (RMB 2,793 thousand)	\$ 307,848 (RMB68,472 thousand)	\$ 44,000 (RMB10,000 thousand)	
VSO Electronics (Suzhou) Co., LTD.	Manufacturing and sales of various types of cables for smart IoT, cloud computing, industrial control, medical, and automotive applications	56,101 (USD 1,700 thousand)	Note 6	56,101 (USD 1,700 thousand)	-	-	56,101 (USD 1,700 thousand)	6,724 (RMB 1,551 thousand)	100%	6,724 (RMB 1,551 thousand)	97,716 (RMB21,734 thousand)	35,200 (RMB 8,000 thousand)	
Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	Sales of engineering plastics for optical, automotive, and 3C product applications	53,095 (USD 1,400 thousand)	Note 5	56,046 (USD 1,724 thousand)	-	-	56,046 (USD 1,724 thousand)	7,454 (RMB 1,720 thousand)	60%	4,472 (RMB 1,032 thousand)	108,348 (RMB24,099 thousand)	30,800 (RMB 7,000 thousand)	
Zhang Jia Gang Free Trade Zone Mitsui LinkUpon Advanced Material,inc	Production and sale of engineering plastic composites	190,371 (USD 5,690 thousand)	Note 5	50,066 (USD 1,739 thousand)	-	-	50,066 (USD 1,739 thousand)	9,551 (RMB 2,203 thousand)	24%	2,292 (RMB 529 thousand)	50,019 (RMB11,125 thousand)	4,144 (RMB 930 thousand)	

Cumulative amount remitted from Taiwan as of the end of the current period for investment in the Mainland	Investment Commission of the Ministry of Economic Affairs Approved Investment Amount (Note 2)	Pursuant to the regulations of the Investment Commission of the Ministry of Economic Affairs Investment limit for the Mainland region (Note 3)
\$245,265	\$337,389	\$932,301

Note 1: Calculated based on the financial statements audited and certified by the Taiwanese parent company's certified public accountant.

Note 2: The investment amount approved by the Investment Commission of the Ministry of Economic Affairs is USD 10,479,405.55, calculated based on the original remittance exchange rate.

Note 3: Calculated based on the limit of 60% of consolidated net worth, as stipulated in the letter issued by the Investment Commission (Ref. No. 11320966060).

Note 4: This represents a reinvestment in a mainland China company by Cable Garden Holding Limited, a third-region entity wholly owned by the company.

Note 5: This investment was made by Linkupon International Holdings, Limited, a third-region entity wholly owned by LINKUPON INTERNATIONAL LIMITED (60% owned), into a mainland company.

Note 6: Represents an investment in a Mainland China company by CLEVELAND INVESTMENTS LIMITED, a third-region entity wholly owned by the company.

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VSO ELECTRONICS CO., LTD.  
Statement of Cash and Cash Equivalents  
December 31, 2025

Table 1

Unit: Unless otherwise noted  
in thousands of New Taiwan Dollars

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Cash on hand and working capital	Includes NT\$50 thousand, HK\$ 1 thousand, RMB 2 thousand, and €1 thousand	\$ 121
Bank deposits		
Checking accounts		21,068
Foreign Currency Demand Deposits	US\$1,869 thousand, HK\$21 thousand, and ¥9,304 thousand	<u>60,677</u>
Total		<u>\$ 81,866</u>

Note: Foreign currencies are converted at the exchange rates

RMB\$1 = NTD\$4.496, USD\$1 = NTD\$31.42, HKD\$1 = NTD\$4.039,

EUR\$1 = NTD\$36.90, and JPY\$1 = NTD\$0.2009.

VSO ELECTRONICS CO., LTD.

Statement of Financial Assets—Current (Measured at Amortized Cost)

December 31, 2025

Table 2

Unit: Unless otherwise stated  
is in thousands of New Taiwan Dollars

<u>Name</u>	<u>Summary</u>	<u>Interest Rate</u>	<u>Amount</u>
Bank time deposits with an original maturity date exceeding 3 months	E. Sun Bank	1.70%	\$ 300,000
Callable Bonds	P13 China Life 1A (Note)	1.66%	<u>78,000</u>
			<u>\$ 378,000</u>

Note: The collateral for the repurchase agreement is Cathay Life Insurance Co., Ltd.'s 2024 Series 1 Unsecured Cumulative Subordinated Corporate Bonds.

VSO ELECTRONICS CO., LTD.  
Detailed Statement of Accounts Receivable  
December 31, 2025

Table 3

Unit: NT\$ thousand

Customer Name	Amount
Client A	\$ 169,811
Client B	74,443
Client C	71,535
Others (Note)	<u>282,403</u>
	598,192
Less: Allowance for losses	<u>195</u>
Total	<u>\$ 597,997</u>

Note: The balance of each account does not exceed 5% of the total balance of this account.

VSO ELECTRONICS CO., LTD.

Inventory Detail Statement

December 31, 2025

Table 4

Unit: NT\$ thousand

Item	Amount	
	Book Value	Net Realizable Value
Inventory	<u>\$ 25,252</u>	<u>\$ 34,059</u>

VSO ELECTRONICS CO., LTD.  
Statement of Changes in Long-Term Equity Investments Accounted for Using the Equity Method  
January 1 to December 31, 2025

Table 5

Unit: Unless otherwise stated  
in NT\$ thousand

Name of investee	Beginning balance		Increase for the current year		Long-term Equity Investments recognized  (Loss)	Foreign operations Financial Statements Exchange rate difference	Unrealized		Year-end balance			Market value or Net Equity	Remarks
	Number of Shares (in thousands)	Amount	Number of Shares (thousands)	Amount			Loss on sales	Other	Number of shares (thousands)	Ownership percentage %	Amount		
Unlisted (OTC) companies													
Cable Garden Holdings Limited	10,225	\$ 454,248	-	\$ -	\$ 14,404	(\$ 3,538)	(\$ 482)	\$ 31	10,225	100%	\$ 464,663	\$ 468,655	Note 1, Note 2, Note 3
LINKUPON INTERNATION AL LIMITED	9,000	139,242	-	-	21,271	583	-	( 15,600)	9,000	60%	145,496	145,496	Notes 1 and 4
Vsovn Electronics (HANOI) Company Limited	-	<u>153,642</u>	-	<u>143,392</u>	<u>( 5,055)</u>	<u>( 14,303)</u>	<u>-</u>	<u>-</u>	-	100%	<u>277,676</u>	<u>277,676</u>	Note 1
		<u>\$ 747,132</u>		<u>\$ 143,392</u>	<u>\$ 30,620</u>	<u>(\$ 17,258)</u>	<u>(\$ 482)</u>	<u>(\$ 15,569)</u>			<u>\$ 887,835</u>	<u>\$ 891,827</u>	

Note 1: There are no pledged long-term equity investments.

Note 2: As of December 31, 2025, the difference in the balance of the long-term equity investment in Cable Garden Holdings Limited includes unrealized gains of NT\$893 thousand and unrealized losses of NT\$3,099 thousand.

Note 3: Other adjustments consist of a reversal of the prior year's unrealized gain of NT\$31 thousand from the disposal of property, plant, and equipment, which was reclassified as realized gain in the current year.

Note 4: Other adjustments resulted from the Company receiving a cash dividend of NT\$15,600 thousand from LINKUPON INTERNATIONAL LIMITED.

VSO ELECTRONICS CO., LTD.

Schedule of Accounts Payable

December 31, 2025

Table 6

Unit: NT\$ thousand

Supplier Name	Amount
Supplier A	\$ 1,658
Supplier B	857
Supplier C	640
Supplier D	393
Supplier E	385
Others (Note)	2,025
Total	\$ 5,958

Note: The balance of each account does not exceed 5% of the total balance of this account.

## VSO ELECTRONICS CO., LTD.

## Short-Term Borrowings Schedule

December 31, 2025

Table 7

Unit: NT\$ thousand

	Loan Period	Interest Rate Range	Balance	Credit Limit	Collateral Status
Bank Credit Loan					
Mega International Commercial Bank	September 15, 2025 – March 6, 2026	4.7463%	\$ 29,849	\$ 100,000	–
Mega International Commercial Bank	September 15, 2015–March 13, 2016	4.7463%	25,136		–
Mega International Commercial Bank	Nov. 12, 2025 – May 11, 2026	4.7463%	43,988		–
E. Sun Bank	Dec. 4, 2025 – June 2, 2026	4.704%	<u>58,127</u>	60,000	–
			<u>157,100</u>		
Bank-Guaranteed Loans					
Fubon Bank	Dec. 14, 2025 – Feb. 28, 2026	2.262%	<u>27,378</u>	90,000	Note
			<u>\$ 184,478</u>		

Note: The bank-guaranteed loan is secured by Chairman Chien Chung-cheng acting as a joint and several guarantor in his personal capacity.

VSO ELECTRONICS CO., LTD.  
Schedule of Long-Term Bank Loans  
December 31, 2025

Table 8

Unit: NT\$ thousand

Lending Bank	Loan Period	Annual Interest Rate (%)	Repayment Terms	Amount	Credit Limit	Collateral or Guarantee
Fubon Bank	Dec. 10, 2024 – Dec. 10, 2029	1.773784%	Principal and interest repaid monthly after a 24-month grace period	\$ 10,000	<u>\$ 240,000</u>	Chairman Jian Zhongzheng serves as joint guarantor
Fubon Bank	March 6, 2015 – December 10, 2019	1.773784%	Principal and interest to be repaid monthly following a 24-month grace period	49,249		Chairman Chien Chung-cheng serves as joint guarantor
Fubon Bank	Dec. 9, 2025 – Dec. 10, 2029	1.773784%	Principal and interest to be repaid monthly following a 24-month grace period	46,741		Chairman Chien Chung-cheng serves as joint guarantor
Fubon Bank	Dec. 9, 2025 – Dec. 10, 2029	1.773784%	Principal and interest to be repaid monthly following a 24-month grace period	<u>19,800</u>		Chairman Chien Chung-cheng serves as joint guarantor
				125,790		
Less: Government subsidy discount				<u>( 1,496)</u>		
				<u>\$ 124,294</u>		

VSO ELECTRONICS CO., LTD.

Statement of Operating Revenue

January 1 to December 31, 2025

Table 9

Unit: Unless otherwise specified  
in thousands of New Taiwan  
Dollars

<u>Item</u>	<u>Quantity (units)</u>	<u>Amount</u>
Net Revenue		
AIoT Smart IoT Application		
Cable Assemblies	8,687,368	\$ 816,220
Computer and Consumer		
Electronics Cable Assemblies	5,250,740	117,929
Other – Cable Assemblies	<u>15,080,695</u>	<u>721,948</u>
Total Revenue	<u>29,018,803</u>	<u>\$ 1,656,097</u>

VSO ELECTRONICS CO., LTD.

Breakdown of Operating Costs

January 1 to December 31, 2025

Table 10

Unit: NT\$ thousand

Item	Amount
Cost of Goods Sold	
Merchandise at Beginning of Year	\$ 19,886
Plus: Purchases for the year	1,245,193
Contract manufacturing	807
Less: Inventory at year-end	26,374
Other	<u>1,812</u>
Total cost of goods sold	1,237,700
Other operating expenses (including inventory write-downs and recovery gains of NT\$1,004 thousand, warranty provisions of NT\$607 thousand, amortization of fixed patent rights of NT\$11,388 thousand, and other expenses of NT\$9,573 thousand)	<u>20,564</u>
Total operating expenses	<u>\$ 1,258,264</u>

VSO ELECTRONICS CO., LTD.  
Breakdown of Operating Expenses  
January 1 to December 31, 2025

Table 11

Unit: NT\$ thousand

	<u>Selling Expenses</u>	<u>Administrati ve Expenses</u>	<u>Research and Development Expenses</u>	<u>Reversal of Reversal of bad debt</u>	<u>Total</u>
Salaries and Wages	\$ 37,691	\$ 56,036	\$26,794	\$ -	\$120,521
Directors' compensation	-	5,196	-	-	5,196
Insurance premiums	3,291	4,963	2,269	-	10,523
Other expenses (Note)	<u>18,699</u>	<u>22,926</u>	<u>10,536</u>	<u>( 766)</u>	<u>51,395</u>
Total	<u>\$ 59,681</u>	<u>\$ 89,121</u>	<u>\$39,599</u>	<u>(\$ 766)</u>	<u>\$187,635</u>

Note: The balance of each account does not exceed 5% of the total balance of this account.

## VSO ELECTRONICS CO., LTD.

Summary of Employee Benefits, Depreciation, and Amortization Expenses for the Current  
Period by Function

January 1 to December 31, 2025 and 2024

Table 12

Unit: NT\$ thousand

	2025			2024		
	Operating Costs	Classified as Expenses	Total	Classified as operating Classified as operating	Classified as operating Expenses	Total
Employee benefit expenses						
Salary expenses	\$ -	\$120,521	\$120,521	\$ -	\$105,282	\$ 105,282
Employee insurance costs	-	10,134	10,134	-	8,371	8,371
Pension expenses	-	4,953	4,953	-	4,146	4,146
Directors' Remuneration	-	5,196	5,196	-	5,053	5,053
Other employee benefit expenses	-	4,455	4,455	-	3,415	3,415
	<u>\$ -</u>	<u>\$145,259</u>	<u>\$145,259</u>	<u>\$ -</u>	<u>\$126,267</u>	<u>\$126,267</u>
Depreciation expense	<u>\$ -</u>	<u>\$ 5,455</u>	<u>\$ 5,455</u>	<u>\$ -</u>	<u>\$ 4,760</u>	<u>\$ 4,760</u>
Amortization expense	<u>\$ 5,998</u>	<u>\$ 2,112</u>	<u>\$ 8,110</u>	<u>\$ 4,254</u>	<u>\$ 2,106</u>	<u>\$ 6,360</u>

## Note:

- The Company had 105 and 93 employees in fiscal years 2025 and 2024, respectively, of whom 7 and 7, respectively, were directors who did not serve as employees.
- (1) Average employee benefit expenses for the current fiscal year were NT\$1,430 thousand, compared to NT\$1,409 thousand for the prior fiscal year.  
(2) Average employee salary expenses for the current fiscal year were NT\$1,230 thousand, compared to NT\$1,224 thousand for the previous fiscal year.  
(3) The average employee salary expense increased by 0.5%.
- The Company's employee compensation includes monthly salaries, performance bonuses paid based on monthly performance evaluations, and remuneration (profit sharing) distributed by the Company based on annual profitability. The Company determines the total amount of remuneration (profit sharing) based on its operating results, and the amount allocated to each employee is determined according to position, contribution, and performance.
- The amount of remuneration allocated to the Company's managers is determined by the Compensation Committee after deliberation and submitted to the Board of Directors for resolution, taking into account their positions, contributions, the Company's operating performance for the year, and future risks.
- In accordance with the Articles of Incorporation, if the Company generates a profit in a given year, it shall set aside 2% to 10% for employee remuneration. Of this amount, the portion allocated to frontline employees shall not be less than 15% of the total employee remuneration mentioned in the preceding paragraph. The Board of Directors shall

resolve to distribute this amount in the form of stock or cash, and the recipients shall include employees of subsidiaries who meet certain conditions. The Company may, from the aforementioned profit amount, set aside no more than 2% for directors' remuneration, subject to a resolution by the Board of Directors.