Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

Year 2025 and Year 2024

(Stock Code: 8042)

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Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Report
For the Years Ended 2025 and 2024
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Taiwan Chinsan Electronic Industrial Co., Ltd.

Statement on the Consolidated Financial Statements of Affiliated Enterprises

For the year 2025 (from January 1, 2025 to December 31, 2025), the entities that the Company is required to include in the preparation of consolidated financial statements of affiliated enterprises pursuant to the “Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Affiliation Reports of Affiliated Enterprises” are identical to those required to be included in the preparation of parent-subsidiary consolidated financial statements in accordance with International Financial Reporting Standard No. 10, as recognized and promulgated by the Financial Supervisory Commission. Furthermore, all relevant information required to be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned parent-subsidiary consolidated financial statements. Accordingly, separate consolidated financial statements of affiliated enterprises are not prepared.

Statement

Company Name: Taiwan Chinsan Electronics Industrial Co., Ltd.

Responsible Person: CHIANG, SHIH-HSIN

March 27, 2026

Independent Auditors' Report

(115) Financial Audit Report No. 25005624

To Taiwan Chinsan Electronic Industrial Co., Ltd.

Audit Opinion

We have audited the accompanying consolidated balance sheets of Taiwan Chinsan Electronic Industrial Co., Ltd. and its subsidiaries (collectively, the "Chinsan Group") as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Chinsan Group as of December 31, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and interpretative announcements endorsed and issued into effect by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 Consolidated Financial Statements" section of our report. Personnel of our firm who are subject to independence requirements have remained independent of the Chinsan Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and have fulfilled other responsibilities under such Norm. We believe - 14 - 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 judgment, were of most significance in our audit of the Chinsan Group's consolidated financial statements for 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon; we do not provide a separate opinion on these matters.

The key audit matters for the Chinsan Group's consolidated financial statements for 2025 are described as follows:

Cutoff of Sales Revenue

Description of Key Audit Matters

For the accounting policy on revenue recognition, please refer to Note 4(29) to the consolidated financial statements; for disclosure of operating revenue, please refer to Note 6(22). The Chinsan Group's primary business is sales of capacitors, and its revenue is mainly divided into direct shipments and consignment warehouse sales. Consignment warehouse sales are recognized when the customer picks up the goods, at which point control of the product is transferred to the customer. The Company primarily relies on customer pickup reports and other relevant information provided by the custodian of the consignment warehouse as the basis for revenue recognition. Because the process of recognizing revenue from consignment warehouse sales involves manual adjustments, there may be a risk of improper cutoff of revenue recognition, resulting in revenue recognized near period end not being recorded in the correct period. Accordingly, we identified the cutoff of sales revenue as one of the key audit matters for the year.

Audit Procedures Performed

The audit procedures we performed in response to the above key audit matter are summarized as follows:

1. We understood and tested the internal control procedures for sales revenue recognition to evaluate the effectiveness of management's internal controls over sales revenue recognition.
2. We sampled sales transactions recorded during the year and agreed them to customer - 15 - orders, sales invoices, delivery orders, and export declarations to confirm transaction terms and the timing of recognition. We also inspected subsequent sales returns and allowances to confirm that there were no material returns.
3. We performed cutoff testing on sales transactions for a certain period before and after the end of the financial reporting period to evaluate the appropriateness of the sales revenue cutoff.

Valuation of Financial Assets of an Unlisted Company Measured at Fair Value through Profit or Loss - Pinda Technology Co., Ltd.

Description of Key Audit Matters

For the accounting policy on financial assets measured at fair value through profit or loss, please refer to Note 4(7) to the consolidated financial statements; for uncertainty in accounting estimates and assumptions related to the valuation of such financial assets, please refer to Note 5(2); and for the fair value of such financial assets, please refer to Notes 6(2) and 12(3).

The Chinsan Group has invested in the shares of Pinda Technology Co., Ltd., an unquoted company. As of December 31, 2025, this equity instrument investment was accounted for as a non-current financial asset measured at fair value through profit or loss, in the amount of NT$407,573 thousand. Because the equity investment has no quoted price in an active market, it is valued using valuation techniques. Since the valuation involves valuation models, parameters, calculations, and significant subjective judgments, we identified the fair value valuation of the shares of Pinda Technology Co., Ltd. as one of the key audit matters for the year.

Audit Procedures Performed

The audit procedures we performed in response to the above key audit matter are summarized as follows:

1. We inspected whether the future cash flows used in the valuation model were consistent with the business plan of Pinda Technology Co., Ltd., and further reviewed the actual implementation results of operating plans previously proposed by management.
2. We evaluated the reasonableness of significant assumptions and parameters used in the model, including the expected growth rate and discount rate.
3. We reviewed the analysis performed by management for the above significant assumptions and parameters and confirmed their impact on the fair value assessment result per share.

Other Matters – Separate Financial Statements

Taiwan Chinsan Electronic Industrial Co., Ltd. has prepared separate financial statements for 2025, on which we have issued an unqualified audit report for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and interpretative announcements endorsed and issued into effect by the Financial Supervisory Commission, and for maintaining 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 also responsible for assessing the Chinsan 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 Chinsan Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the Chinsan Group, including the Audit Committee, are responsible for overseeing the financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 an audit conducted in accordance with the Standards on Auditing of the Republic of China cannot guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. They 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 consolidated financial statements.

In performing an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism. We also:

1. Identify and assess the risks of material misstatement of the consolidated 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. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures appropriate that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chinsan Group's internal control.
3. Assess the appropriateness of the accounting policies adopted by management, as well as the reasonableness of accounting estimates and related disclosures.
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 Chinsan Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Chinsan Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the relevant notes, and whether the consolidated 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 within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the consolidated financial statements, and for forming the 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 significant deficiencies in internal control identified during the audit..

We also provide those charged with governance with a statement that personnel of our firm who are subject to independence requirements have complied with the independence requirements under the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, including 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 Chinsan Group's consolidated financial statements for 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about a 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.

PwC Taiwan Certified Public Accountants Firm

Certified Public Accountant

Tu Zhan-Yuan

Lai Tsung-Hsi

Financial Supervisory Commission Approval Document Number: Financial Supervisory Commission Certification No. 1120348565

Former Securities and Futures Bureau of the Financial Supervisory Commission Approval Document Number: Financial Supervisory Commission Securities Letter No. 0960038033

March 27, 2026

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

Unit: NT$ thousand

	Assets	Note	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,622,939	18	$ 1,675,599	19
1110	Current financial assets measured at fair value through profit or loss	6(2)	112,539	1	342,670	4
1136	Current financial assets at amortized cost	6(4) and 8	330,460	4	489,604	6
1150	Net notes receivable	6(5)	940	-	1,500	-
1170	Net accounts receivable	6(5)	1,545,300	17	1,362,497	15
1200	Other receivables		47,749	1	25,417	-
1220	Current income tax assets	6(29)	702	-	6,702	-
130X	Inventories	6(6)	1,412,622	16	1,363,552	15
1470	Other current assets		102,711	1	54,214	1
11XX	**Subtotal of Current Assets**		5,175,962	58	5,321,755	60
	Non-current assets					
1510	Non-current financial assets measured at fair value through profit or loss	6(2)	486,844	5	523,232	6
1517	Non-current financial assets measured at fair value through other comprehensive income	6(3)	174,032	2	172,512	2
1550	Investments accounted for under the equity method	6(7)	32,360	-	36,756	-
1600	Property, plant and equipment	6(8) and 8	2,380,347	27	2,304,158	26
1755	Right-of-use assets	6(9) and 7	349,851	4	358,650	4
1760	Net carrying amount of investment properties	6(10)	75,461	1	77,012	1
1780	Intangible assets	6(11)	55,226	1	64,660	-
1840	Deferred income tax assets	6(29)	8,071	-	3,551	-
1900	Other non-current assets	7	193,447	2	71,801	1
15XX	**Subtotal of non-current assets**		3,755,639	42	3,612,332	40
1XXX	**Total Assets**		$ 8,931,601	100	$ 8,934,087	100

(To be continued on the next page)

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

Unit: NT$ thousand

	Liabilities and Equity	Note	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current liabilities					
2100	Short-term loans	6(12) and 8	$ 1,210,000	14	$ 1,860,000	21
2110	Short-term Notes payable	6(13)	-	-	80,000	1
2130	Current contract liabilities	6(22) and 7	639	-	1,828	-
2150	Notes payable		544,078	6	566,255	6
2170	Accounts payable		736,494	8	553,866	6
2200	Other payables		185,918	2	133,613	2
2230	Current income tax liabilities	6(29)	43,298	-	29,067	-
2280	Current lease liabilities	7	11,023	-	10,809	-
2320	Current portion of long-term liabilities due within one year or within one operating cycle	6(16)	66,895	1	314,205	4
2365	Current refund liabilities		51,760	1	52,611	1
2399	Other current liabilities – other		22,275	-	14,742	-
21XX	**Total Current Liabilities**		2,872,380	32	3,616,996	41
	Non-current liabilities					
2500	Non-current financial liabilities measured at fair value through profit or loss	6(14)(15)	1,120	-	-	-
2530	Bonds payable	6(15)	323,159	4	-	-
2540	Long-term loans	6(16)	1,387,927	16	863,070	10
2570	Deferred income tax liabilities	6(29)	2,066	-	6,548	-
2580	Non-current lease liabilities	7	285,485	3	291,392	3
2600	Other non-current liabilities		22,583	-	17,146	-
25XX	**Subtotal of Non-Current Liabilities**		2,022,340	23	1,178,156	13
2XXX	**Total Liabilities**		4,894,720	55	4,795,152	54
	Equity attributable to owners of the parent					
	Capital Stock	6(18)				
3110	Common stock		1,294,625	15	1,294,625	15
	Capital surplus	6(19)				
3200	Capital surplus		1,249,837	14	1,230,685	13
	Retained earnings	6(20)				
3310	Legal reserve		573,360	6	565,969	6
3320	Special Reserve		31,854	-	330,939	4
3350	Undistributed Earnings		885,421	10	663,040	7
	Other Equity	6(21)				
3400	Other Equity		(74,888)	(1)	(22,233)	-
31XX	**Subtotal of shareholders' equity attributable to owners of the parent**		3,960,209	44	4,063,025	45
36XX	**Non-controlling interests**		76,672	1	75,910	1
3XXX	**Total equity**		4,036,881	45	4,138,935	46
	Significant Contingent Liabilities and Unrecognized Contractual Commitments	9				
	Material Subsequent Events	11				
3X2X	**Total Liabilities and Equity**		$ 8,931,601	100	$ 8,934,087	100

The accompanying notes are an integral part of these consolidated financial statements and should be read in conjunction therewith.

Chairman: CHIANG, SHIH-HSIN　　Manager: CHIANG, CHING-SHIN　　Chief Accountant: WANG, HSUAN-HUNG

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2025 and 2024

Unit: NT$ thousand
(Except earnings per share in NT dollars)

	Contents	Note	Year 2025 Amount	%	Year 2024 Amount	%
4000	Operating revenue	6(22)	$ 3,765,883	100	$ 3,430,181	100
5000	Operating costs	6(6)(8)(27)(28)	(3,011,876)	(80)	(2,755,627)	(80)
5900	Gross profit		754,007	20	674,554	20
	Operating expenses	6(8)(9)(10)(11)(27)(28)				
6100	Selling expenses		(233,553)	(6)	(205,505)	(6)
6200	Administrative expenses		(222,501)	(6)	(235,650)	(7)
6300	Research and development expenses		(105,178)	(3)	(93,233)	(3)
6450	Reversal of Expected Credit Impairment Loss	12(2)	166	-	1	-
6000	Total operating expenses		(561,066)	(15)	(534,387)	(16)
6900	Operating profit		192,941	5	140,167	4
	Non-operating income and expenses					
7100	Interest income	6(23)	50,472	1	63,144	2
7010	Other income	6(24)	40,200	1	28,043	1
7020	Other gains and losses	6(25)	(33,591)	(1)	(18,235)	(1)
7050	Finance costs	6(26) and 7	(67,725)	(2)	(59,289)	(2)
7060	Share of profit or loss of associates and joint ventures accounted for using the equity method	6(7)	(15,345)	-	(16,631)	-
7000	Subtotal of non-operating income and expenses		(25,989)	(1)	(2,968)	-
7900	**Profit before tax**		166,952	4	137,199	4
7950	Income tax expense	6(29)	(52,571)	(1)	(59,108)	(2)
8200	**Net income**		$ 114,381	3	$ 78,091	2
	Other comprehensive income (loss), net items that will not be subsequently reclassified to profit or loss	6(3)(21)				
8311	Remeasurements of defined benefit plans	6(17)	($ 3,704)	-	($ 3,395)	-
8316	Unrealized valuation gain (loss) on investments in equity instruments measured at fair value through other comprehensive income		723	-	11,662	-
8349	Income tax relating to items not subject to reclassification	6(29)	(4)	-	(26)	-
8310	Total amount of items that will not be subsequently reclassified to profit or loss		(2,985)	-	8,241	-
	Items that are or may be subsequently reclassified to profit or loss					
8361	Exchange differences resulting from the translation of financial statements of overseas subsidiaries		(50,902)	(1)	290,803	9
8360	Total amount of items that are or may be subsequently reclassified to profit or loss		(50,902)	(1)	290,803	9
8300	**Other comprehensive income (loss), net**		($ 53,887)	(1)	$ 299,044	9
8500	**Total comprehensive income (loss)**		$ 60,494	2	$ 377,135	11
	Net income (loss) attributable to:					
8610	Owners of the parent		$ 115,439	3	$ 77,429	2
8620	Non-controlling interests		(1,058)	-	662	-
			$ 114,381	3	$ 78,091	2
	Total comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 59,280	2	$ 373,286	11
8720	Non-controlling interests		1,214	-	3,849	-
			$ 60,494	2	$ 377,135	11
	Basic earnings per share					
9750	Earnings for the current period	6(30)	$	0.89	$	0.60
	Diluted earnings per share					
9850	Earnings for the current period	6(30)	$	0.89	$	0.60

The accompanying notes are an integral part of these consolidated financial statements and should be read in conjunction therewith.

Chairman: CHIANG, SHIH-HSIN Manager: CHIANG, CHING-SHIN Chief Accountant: WANG, HSUAN-HUNG

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
For the years ended December 31, 2025 and 2024

Unit: NT$ thousand

		Equity attributable to owners of the parent									
				Retained earnings			Other Equity				
	Note	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed Earnings	Exchange differences on translation of foreign operations financial statements	Unrealized gains and losses on financial assets measured at FVTOCI	Total	Non-controlling interests	Total equity
For the period from January 1, 2024 to December 31, 2024											
Balance as of January 1, 2024		$ 1,294,625	$ 1,321,309	$ 557,219	$ 303,982	$ 689,564	($ 303,770)	($ 17,548)	$ 3,845,381	$ 62,569	$ 3,907,950
Net income		-	-	-	-	77,429	-	-	77,429	662	78,091
Other comprehensive income (loss)	6(21)	-	-	-	-	(3,228)	287,423	11,662	295,857	3,187	299,044
Total comprehensive income (loss)		-	-	-	-	74,201	287,423	11,662	373,286	3,849	377,135
Earnings distribution and appropriation for year 2023	6(20)										
Appropriation of legal reserve		-	-	8,750	-	(8,750)	-	-	-	-	-
Appropriation of special reserve		-	-	-	26,957	(26,957)	-	-	-	-	-
Cash dividends on ordinary shares		-	-	-	-	(64,731)	-	-	(64,731)	-	(64,731)
Distribution of cash dividends from capital surplus	6(20)	-	(90,624)	-	-	-	-	-	(90,624)	-	(90,624)
Subsidiaries distributed cash dividends to non-controlling interests		-	-	-	-	-	-	-	-	(1,922)	(1,922)
Changes in associates and joint ventures recognized under the equity method		-	-	-	-	(287)	-	-	(287)	-	(287)
Increase in Non-Controlling Interests		-	-	-	-	-	-	-	-	11,414	11,414
Balance as of December 31, 2024		$ 1,294,625	$ 1,230,685	$ 565,969	$ 330,939	$ 663,040	($ 16,347)	($ 5,886)	$ 4,063,025	$ 75,910	$ 4,138,935
For the period from January 1, 2025 to December 31, 2025											
Balance as of January 1, 2025		$ 1,294,625	$ 1,230,685	$ 565,969	$ 330,939	$ 663,040	($ 16,347)	($ 5,886)	$ 4,063,025	$ 75,910	$ 4,138,935
Net income		-	-	-	-	115,439	-	-	115,439	(1,058)	114,381
Other comprehensive income (loss)	6(21)	-	-	-	-	(3,504)	(53,378)	723	(56,159)	2,272	(53,887)
Total comprehensive income (loss)		-	-	-	-	111,935	(53,378)	723	59,280	1,214	60,494
Earnings distribution and appropriation for year 2024	6(20)										
Appropriation of legal reserve		-	-	7,391	-	(7,391)	-	-	-	-	-
Reversal of special reserve		-	-	-	(299,085)	299,085	-	-	-	-	-
Cash dividends on ordinary shares		-	-	-	-	(181,248)	-	-	(181,248)	-	(181,248)
Distribution of cash dividends from capital surplus	6(20)	-	(12,946)	-	-	-	-	-	(12,946)	-	(12,946)
Equity component recognized for issuance of convertible corporate bonds	6(15)	-	21,149	-	-	-	-	-	21,149	-	21,149
Subsidiaries distributed cash dividends to non-controlling interests		-	-	-	-	-	-	-	-	(1,952)	(1,952)
Changes in associates and joint ventures recognized under the equity method		-	10,949	-	-	-	-	-	10,949	-	10,949
Increase in non-controlling Interests		-	-	-	-	-	-	-	-	1,500	1,500
Balance as of December 31, 2025		$ 1,294,625	$ 1,249,837	$ 573,360	$ 31,854	$ 885,421	($ 69,725)	($ 5,163)	$ 3,960,209	$ 76,672	$ 4,036,881

The accompanying notes are an integral part of these consolidated financial statements and should be read in conjunction therewith.

Chairman: CHIANG, SHIH-HSIN | Manager: CHIANG, CHING-SHIN | Chief Accountant: WANG, HSUAN-HUNG

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2025 and 2024

Unit: NT$ thousand

	Note	January 1, 2025 as at December 31	January 1, 2024 as at December 31
Net cash flows from operating activities			
Net income before income tax for the current period		$ 166,952	$ 137,199
Adjustment items			
Income and expense items not affecting cash flows:			
Reversal of expected credit impairment loss	12(2)	(166)	(1)
Inventory write-down losses	6(6)	8,978	27,701
Depreciation expense	6(8)(9)(10)(27)	192,618	189,170
Amortization expense	6(27)	23,147	19,954
Losses on financial assets and liabilities measured at fair value through profit or loss	6(2)(25)	39,028	41,503
Share of profit or loss of associates and joint ventures accounted for using the equity method	6(7)	15,345	16,631
Gains on disposal of property, plant and equipment	6(25)	(344)	(59)
Dividend income	6(24)	(6,052)	(12,091)
Interest income	6(23)	(50,472)	(63,144)
Interest expense	6(26)	67,725	59,289
Changes in assets and liabilities arising from operating activities			
Net change in assets associated with operating activities			
Net notes receivable		560	(368)
Net accounts receivable		(182,638)	(170,695)
Other receivables		(23,725)	6,304
Inventories		(58,048)	(320,743)
Prepayments		(48,841)	11,155
Other current assets		344	3,762
Net change in liabilities associated with operating activities			
Current contract liabilities		(1,189)	1,768
Notes payable		(22,177)	193,299
Accounts payable		182,628	90,605
Other payables		52,917	(2,361)
Current refund liabilities		(851)	19,540
Other current liabilities		7,533	(1,458)
Net defined benefit liabilities		5,524	1,076
Cash inflows from operating activities		368,796	248,036
Interest received		50,673	62,334
Interest paid		(64,302)	(52,136)
Income tax paid		(41,341)	(34,491)
Net cash flows from operating activities		313,826	223,743
Cash flows from investing activities			
Dividends received		6,052	12,091
Acquisition of financial assets measured at fair value through profit or loss		(386,654)	(1,346,549)
Disposal of financial assets measured at fair value through profit or loss		612,040	1,315,555
Acquisition of financial assets at amortized cost		-	(327,533)
Disposal of financial assets at amortized cost		159,144	20,901
Acquisition of property, plant and equipment	6(8)(31)	(175,096)	(175,876)
Proceeds from disposal of property, plant and equipment		492	59
Acquisition of intangible assets	6(11)	(1,883)	(1,995)
Increase in prepayments for equipment		(160,853)	(23,809)
(Increase) decrease in guarantee deposits paid		(80)	746
Decrease in other non-current assets		12,331	2,883
Net cash inflow (outflow) from investing activities		65,493	(523,527)
Cash flows from financing activities			
(Decrease) increase in short-term loans	6(32)	(650,000)	145,000
(Decrease) increase in short-term notes payable	6(32)	(80,000)	80,000
Proceeds from long-term borrowings, including current portions due within one year	6(32)	1,390,000	931,659
Repayment of long-term borrowings, including current portions due within one year	6(32)	(1,115,317)	(915,279)
Issuance of corporate bonds	6(15)(32)	350,000	-
Repayment of principal portion of lease liabilities	6(9)(32)	(10,946)	(10,985)
Subsidiaries distributed cash dividends to non-controlling interests		(1,952)	(1,922)
Distribution of cash dividends from capital surplus	6(20)	(12,946)	(90,624)
Cash dividend distribution	6(20)	(181,248)	(64,731)
(Decrease) increase in guarantee deposits received	6(32)	(87)	22
Cash capital increase from non-controlling interests		1,500	-
Net cash (outflow) inflow from financing activities		(310,996)	73,140
Effect of changes in exchange rates on cash and cash equivalents		(120,983)	176,888
Net decrease in cash and cash equivalents for the period		(52,660)	(49,756)
Cash and cash equivalents at the beginning of the period	6(1)	1,675,599	1,725,355
Cash and cash equivalents at end of period	6(1)	$ 1,622,939	$ 1,675,599

The accompanying notes are an integral part of these consolidated financial statements and should be read in conjunction therewith.

Chairman: CHIANG, SHIH-HSIN Manager: CHIANG, CHING-SHIN Chief Accountant: WANG, HSUAN-HUNG

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
Year 2025 and Year 2024

Unit: Thousands of New Taiwan Dollars
(Unless otherwise stated)

1. Company History

Taiwan Chinsan Electronic Industrial Co., Ltd. (the Company) was established in the Republic of China on March 20, 1970, in accordance with the Company Act. The Company completed its initial public offering on October 20, 2000, with a paid-in capital of $220,000. The Company's shares were listed on the OTC market on March 22, 2004, with a paid-in capital of $442,789. As of December 31, 2025, the Company's registered capital was $3,000,000, and its paid-in capital was $1,294,625. Together with its subsidiaries (the Group), the Company is principally engaged in the manufacturing, processing, sale, and import and export of various electronic equipment and capacitors.

2. Date and Procedures for the Approval of Financial Statements

This consolidated financial report was issued upon approval by the Board of Directors on March 27, 2026.

3. Adoption of Newly Issued and Amended Standards and Interpretations

(1) Impact of newly issued or amended International Financial Reporting Standards as approved and promulgated by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The following table provides a summary of the newly issued, amended, and revised International Financial Reporting Standards and Interpretations applicable for the year 2025, as approved and promulgated by the Financial Supervisory Commission.

Newly Issued, Amended, or Revised Standards and Interpretations	Effective date as announced by the IASB
Amendments to IAS 21: Lack of Exchangeability	January 1, 2025

Upon evaluation, the Group has determined that the aforementioned standards and interpretations have no material impact on its financial position or financial performance.

(2) Impact of newly issued or amended International Financial Reporting Standards not yet endorsed by the Financial Supervisory Commission

The table below provides a summary of the newly issued, amended, and revised International Financial Reporting Standards and Interpretations applicable for the year 2026, as recognized by the Financial Supervisory Commission.

Newly Issued, Amended, or Revised Standards and Interpretations	Effective date as announced 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 Referencing Nature-dependent Electricity	January 1, 2026
IFRS 17: Insurance Contracts	January 1, 2023
Amendments to IFRS 17: Insurance Contracts	January 1, 2023
Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 — Comparative Information	January 1, 2023
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

Upon evaluation, the Group has determined that the aforementioned standards and interpretations have no material impact on its financial position or financial performance.

(3) Impact of International Financial Reporting Standards issued by the International Accounting Standards Board that have not yet been endorsed by the Financial Supervisory Commission

The table below provides a summary of the newly issued, amended, and revised standards and interpretations promulgated by the International Accounting Standards Board that have not yet been incorporated into the International Financial Reporting Standards as endorsed by the Financial Supervisory Commission.

Newly Issued, Amended, or Revised Standards and Interpretations	Effective date as announced by the IASB
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB
IFRS 18: Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
IFRS 19: Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Amendments to IAS 21: Translation to a Hyperinflationary Presentation Currency	January 1, 2027

Note: In its press release dated September 25, 2025, the FSC announced that public companies will apply IFRS 18 beginning in year 2028. If an enterprise needs to apply IFRS 18 early, it may elect early application after IFRS 18 has been endorsed by the FSC.

Except as stated below, the Group has determined that the aforementioned standards and interpretations do not have a material impact on its financial position or financial performance.

IFRS 18 "Presentation and Disclosure in Financial Statements" supersedes IAS 1, updates the structure of the statement of comprehensive income, introduces additional disclosures regarding management performance measures, and strengthens the principles of aggregation and disaggregation applied to the primary financial statements and accompanying notes.

4. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are outlined below. Unless otherwise specified, these policies have been applied consistently across all reporting periods.

(1) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretations Announcements (collectively referred to as IFRSs), as endorsed and promulgated by the Financial Supervisory Commission.

(2) Basis of Preparation

a. Except for the following significant items, the consolidated financial statements have been prepared on a historical cost basis.

(i) Financial assets and liabilities measured at fair value through profit or loss, including derivatives.

(ii) Financial assets measured at fair value through other comprehensive income.

(iii) Defined benefit liabilities recognized as the net amount of retirement fund assets less the present value of defined benefit obligations.

b. The preparation of financial statements in accordance with International Financial Reporting Standards (IFRSs) requires the use of certain critical accounting estimates. The application of the Group’s accounting policies also necessitates management’s judgment. Matters involving significant judgment or complexity, as well as those that incorporate major assumptions and estimates in the consolidated financial statements, are disclosed in Note 5.

(3) Basis of Consolidation

a. Principles for the Preparation of Consolidated Financial Statements

(i) The Group includes all subsidiaries as entities in the preparation of its consolidated financial statements. A subsidiary is an entity controlled by the Group. Control is deemed to exist when the Group is exposed, or has rights, to variable returns arising from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which the Group obtains control and are deconsolidated from the date on which such control is lost.

(ii) Intercompany transactions, balances, and unrealized gains or losses among entities within the Group have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to ensure alignment with those adopted by the Group.

(iii) Each component of profit or loss and other comprehensive income (loss) shall be allocated to the parent company and non-controlling interests. Total comprehensive income shall likewise be allocated to the parent company and non-controlling interests, even if such allocation results in a deficit balance for the non-controlling interests.

(iv) Changes in the ownership interests of a subsidiary that do not result in a loss of control (i.e., transactions with non-controlling interests) are accounted for as equity transactions and are therefore regarded as transactions between the entity and its owners. Any difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(v) When the Group loses control of a subsidiary, any retained investment in the former subsidiary is remeasured at its fair value. This fair value is recognized either as the initial measurement of a financial asset or, as applicable, as the cost of an investment in an associate or joint venture. The difference between the fair value and the carrying amount is recognized in profit or loss for the period. All amounts previously recognized in other comprehensive income (loss) relating to the subsidiary are accounted for on the same basis as if the Group had directly disposed of the related assets or liabilities. Specifically, if any gain or loss previously recognized in other comprehensive income (loss) would be reclassified to profit or loss upon the disposal of the related assets or liabilities, then, upon the loss of control of the subsidiary, such gain or loss is reclassified from equity to profit or loss.

b. Subsidiaries Included in the Consolidated Financial Statements

			Percentage of Shareholding		
Name of Investment Company	Subsidiary Name	Nature of Business	2025 December 31	2024 December 31	Description
Taiwan Chinsan Electronic Industrial Co., Ltd.	Chinsan (Cayman) Enterprise Co., Ltd.	General investment activities	100%	100%	
〃	Royal Cheng Investment Co., Ltd.	General investment activities	100%	100%	Note 2
Royal Cheng Investment Co., Ltd.	Sync-more Materials CO., LTD.	Manufacture and sale of electronic components	85%	0%	Note 3
Chinsan (Cayman) Enterprise Co., Ltd.	Chinsan Electronic Industrial (Thailand) Co., Ltd.	Manufacture and sale of aluminum capacitors	94.52%	94.52%	Note 1
〃	Chinsan (BVI) Enterprise Co., Ltd.	Trading and investment activities pertaining to aluminum capacitors	100%	100%	
〃	Eagle Zone Limited	Trading and investment activities pertaining to aluminum capacitors	100%	100%	
〃	King-Tachi Technology Company Limited	Trading and investment activities pertaining to aluminum capacitors	100%	100%	
〃	Spotlight Int'l Co., Ltd.	General investment activities	100%	100%	
Spotlight Int'l Co., Ltd.	Wealthy Success Enterprise Limited	General investment activities	100%	100%	
〃	Guangzhou Kingtachi Electronic Co., Ltd.	Manufacturing, sales, and investment activities in aluminum capacitors	15.24%	15.24%	
King-Tachi Technology Company Limited	King Nichi Technology Guangzhou Co., Ltd.	Manufacturing, sales, and investment activities in aluminum capacitors	95.22%	95.22%	
〃	Guangzhou Kingtachi Electronic Co., Ltd.	Manufacturing, sales, and investment activities in aluminum capacitors	84.76%	84.76%	
Wealthy Success Enterprise Limited	Guangzhou Heng Long Investment Co., Ltd.	General investment activities	100%	100%	
Guangzhou Kingtachi Electronic Co., Ltd.	Guangzhou Youmao Electronics Co., Ltd.	Manufacture and sale of aluminum capacitors	100%	100%	

Note 1: In October 2024, Chinsan (Cayman) Enterprise Co., Ltd. made a cash capital injection of USD 6,159 thousand into Chinsan Electronic Industrial (Thailand) Co., Ltd.

Note 2: In September 2025, Taiwan Chinsan Electronic Industrial Co., Ltd. made a capital injection of NT$8.5 million into Royal Cheng Investment Co., Ltd.

Note 3: In October 2025, Royal Cheng Investment Co., Ltd. invested NT$8.5 million in Sync-more Materials CO., LTD.

c. There are no subsidiaries excluded from the consolidated financial statements.

d. Adjustments and treatment for subsidiaries with differing accounting periods: Not applicable.

e. There are no significant restrictions.

f. The Group does not have any subsidiaries with significant non-controlling interests.

(4) Foreign Currency Translation

The financial statements of each entity within the Group are measured in the currency of the primary economic environment in which that entity operates (i.e., its functional currency). The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan Dollar, which is also the reporting currency.

a. Foreign Currency Transactions and Balances

(i) Foreign currency transactions are translated into the functional currency at the spot exchange rate prevailing on the transaction date or measurement date. Any resulting exchange differences arising from such translations are recognized in profit or loss for the period.

(ii) Foreign currency monetary assets and liabilities are remeasured at the spot exchange rate prevailing on the balance sheet date. Any exchange differences arising from such remeasurement are recognized in profit or loss for the current period.

(iii) Foreign currency non-monetary assets and liabilities measured at fair value through profit or loss are remeasured using the spot exchange rate at the balance sheet date, with any resulting exchange differences recognized in current profit or loss. For non-monetary items measured at fair value through other comprehensive income (loss), remeasurement is also based on the spot exchange rate at the balance sheet date, and any resulting exchange differences are recognized in other comprehensive income (loss). Non-monetary items not measured at fair value are measured using the historical exchange rate at the date of the initial transaction.

(iv) All foreign exchange gains (losses) are reported under "Other gains and losses" in the consolidated statement of comprehensive income.

b. Translation of Foreign Operations

(i) For all subsidiaries, associates, and joint arrangements within the Group whose functional currency differs from the presentation currency, their operating results and financial position are translated into the presentation currency as follows:

A. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate prevailing on the balance sheet date.

B. Revenues and expenses in each statement of comprehensive income are translated at the average exchange rate for the reporting period; and

C. All exchange differences arising from translation are recognized in other comprehensive income (losses).

(ii) When a foreign operation is partially disposed of or sold and, as a result, becomes an associate or a joint arrangement, the exchange differences previously recognized in other comprehensive income are reclassified to profit or loss for the period on a proportionate basis, as part of the gain or loss on disposal. However, if the Group, while retaining a partial equity interest in the former associate or joint arrangement, loses significant influence over the foreign operation that was an associate, or loses joint control over the foreign operation that was a joint arrangement, such a transaction is accounted for as a disposal of the entire equity interest in the foreign operation.

(iii) When a foreign operation that is partially disposed of or sold is a subsidiary, the cumulative exchange differences previously recognized in other comprehensive income (loss) shall be proportionately reattributed to the non-controlling interests of that foreign operation. However, if the Group retains a portion of the equity in the former subsidiary but loses control over the foreign operation, the transaction shall be accounted for as a disposal of the entire equity interest in that foreign operation.

(5) Criteria for the Classification of Assets and Liabilities as Current or Non-Current

a. Assets shall be classified as current assets if they meet any of the following criteria:

(i) Assets are expected to be realized in the normal operating cycle or are intended for sale or consumption.
(ii) Held primarily for trading purposes.
(iii) Expected to be realized within twelve months subsequent to the reporting period.
(iv) Cash or cash equivalents, excluding amounts that are restricted from being exchanged or used to settle liabilities for at least twelve months after the reporting period.

The Group classifies all assets that do not satisfy the aforementioned criteria as non-current assets.

b. Liabilities that satisfy any of the following criteria shall be classified as current liabilities:

(i) Settlement is expected to occur within the normal operating cycle.
(ii) Held primarily for trading purposes.
(iii) Repayment in full is required within twelve months following the end of the reporting period.
(iv) Does not have the right to defer the settlement of liabilities for at least twelve months after the end of the reporting period.

The Group classifies all liabilities that do not satisfy the aforementioned criteria as non-current liabilities.

(6) Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to specified amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that satisfy the above criteria and are held for the purpose of meeting short-term operational cash commitments are also classified as cash equivalents.

(7) Financial Assets at Fair Value Through Profit Or Loss

a. Refers to financial assets that are measured neither at amortized cost nor at fair value through other comprehensive income.

b. The Group adopts trade date accounting for financial assets measured at fair value through profit or loss that constitute regular transactions.

c. The Group initially measures the asset or liability at fair value, with the related transaction costs recognized in profit or loss. Subsequently, the asset or liability is remeasured at fair value, and any resulting gains or losses are recognized in profit or loss.

d. The Group recognizes dividend income in profit or loss when the right to receive the dividend has been established, it is highly probable that the associated economic benefits will flow to the Group, and the amount of the dividend can be measured reliably.

(8) Financial Assets measured at Fair Value Through Other Comprehensive Income

a. This refers to making an irrevocable election at initial recognition to present changes in the fair value of equity instrument investments not held for trading in other comprehensive income.

b. The Group adopts settlement date accounting for financial assets measured at fair value through other comprehensive income that qualify as regular way transactions.

c. The Group initially recognizes these at fair value plus transaction costs and subsequently measures them at fair value.

Changes in the fair value of equity instruments are recognized in other comprehensive income. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings. When the right to receive dividends is established, it is probable that the economic benefits associated with the dividends will flow to the Group, and the amount of the dividends can be measured reliably, the Group recognizes dividend income in profit or loss.

(9) Financial Assets measured at Amortized Cost

a. Individuals who concurrently satisfy all the following conditions:

(i) The asset is held within a business model whose objective is to collect contractual cash flows.

(ii) The contractual terms of the financial assets result in cash flows on specified dates that consist solely of payments of principal and interest on the outstanding principal amount.

b. The Group adopts a settlement date accounting for financial assets measured at amortized cost that qualify as regular way transactions.

c. The Group initially recognizes these at fair value plus transaction costs. Subsequently, during the holding period, interest income is recognized using the effective interest method under the amortized cost approach, and impairment losses are recognized as appropriate. Upon derecognition, any resulting gain or loss is recognized in profit or loss.

d. The Group holds time deposits that do not qualify as cash equivalents. Given the short holding period, the effect of discounting is immaterial, and these deposits are measured at their invested amounts.

(10) Accounts Receivable and Notes Receivable

a. Refers to accounts receivable and notes receivable that, in accordance with contractual provisions, arise from the transfer of goods or services and represent an unconditional right to receive consideration.

b. For short-term accounts receivable and non-interest-bearing notes receivable, as the impact of discounting is immaterial, the Group measures these at their original invoice amounts.

(11) Impairment of Financial Assets

At each balance sheet date, the Group assesses financial assets measured at amortized cost by considering all reasonable and supportable information, including forward-looking data. For assets for which credit risk has not increased significantly since initial recognition, the loss allowance is measured based on 12-month expected credit losses. For assets for which credit risk has increased significantly since initial recognition, the loss allowance is measured based on lifetime expected credit losses. For accounts receivable that do not contain a significant financing component, the loss allowance is also measured based on lifetime expected credit losses.

(12) Derecognition of Financial Assets

When the Group’s contractual rights to receive cash flows from a financial asset expire, the financial asset is derecognized.

(13) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs, and manufacturing overheads attributable to production, allocated based on normal production capacity, but excludes borrowing costs. The assessment of cost versus net realizable value is conducted on an item-by-item basis. Net realizable value is defined as the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(14) Investments Accounted for Using the Equity Method – Associates

a. Associates are entities over which the Group has significant influence but does not have control, generally when the Group directly or indirectly holds more than 20% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at cost.

b. Subsequent to the acquisition of an associate, the Group recognizes its share of the associate's profit or loss in the current profit or loss, and its share of the associate's other comprehensive income (loss) in other comprehensive income (loss). If the Group's share of losses of any associate equals or exceeds its equity interest in that associate (including any other unsecured receivables), the Group discontinues the recognition of further losses, unless it has incurred legal or constructive obligations, or has made payments on behalf of the associate.

c. When an associate undergoes changes in equity arising from items other than profit or loss and other comprehensive income (loss), and such changes do not affect the Group's ownership interest in the associate, the Group recognizes, in proportion to its ownership percentage, its share of these equity changes as capital surplus.

d. Unrealized gains and losses arising from transactions between the Group and its associates are eliminated to the extent of the Group's equity interest in the associates. Unrealized losses are also eliminated unless there is evidence that the assets transferred in such transactions have been impaired. Where necessary, the accounting policies of the associates are adjusted to ensure consistency with those adopted by the Group.

e. When the Group disposes of an associate and loses significant influence over that associate, all amounts previously recognized in other comprehensive income (loss) relating to that associate shall be accounted for on the same basis as if the Group had directly disposed of the related assets or liabilities. Specifically, if any gain or loss previously recognized in other comprehensive income (loss) would be reclassified to profit or loss upon the disposal of the related assets or liabilities, then, upon the loss of significant influence over the associate, such gain or loss shall be reclassified from equity to profit or loss. If the Group continues to retain significant influence over the associate, only the proportionate share of the amounts previously recognized in other comprehensive income (loss) shall be reclassified in accordance with the aforementioned method.

f. At each balance sheet date, the Group performs impairment testing for associates that show indications of impairment by treating the entire carrying amount of the investment, including goodwill, as a single asset and comparing its recoverable amount, which is the higher of value in use and fair value less costs of disposal, with its carrying amount. Any impairment loss recognized is included in the carrying amount of the investment. A reversal of an impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(15) Property, Plant and Equipment

a. Property, plant, and equipment are stated at acquisition cost, with interest incurred during the construction period capitalized.

b. Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced component shall be derecognized. All other repair and maintenance expenses are recognized in profit or loss as incurred.

c. Subsequent measurement of property, plant and equipment is performed using the cost model. Land is not subject to depreciation, while all other assets are depreciated on a straight-line basis over their estimated useful lives. Where individual components of property, plant and equipment are significant, depreciation is allocated separately to each major component.

d. The Group reviews the residual values, useful lives, and depreciation methods of each asset at the end of every financial year. If the expected residual values or useful lives differ from previous estimates, or if there is a significant change in the expected pattern of consumption of the future economic benefits embodied in the assets, such changes are accounted for as changes in accounting estimates in accordance with IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," effective from the date the change occurs. The useful lives of the various assets are as follows:

Buildings and construction	10 ~ 50 years
Machinery and equipment	1 ~ 12 years
Transportation equipment	1 ~ 6 years
Office equipment	1 ~ 6 years
Leasehold improvements	6 ~ 50 years

(16) Lessee Lease Transactions – Right-of-Use Assets and Lease Liabilities

a. Lease assets are recognized as right-of-use assets and lease liabilities on the date they become available for use by the Group. For lease agreements classified as short-term leases or leases of low-value assets, lease payments are recognized as expenses on a straight-line basis over the lease term.

b. Lease liabilities are recognized at the present value of the outstanding lease payments as of the commencement date, discounted using the Group's incremental borrowing rate. Lease payments comprise fixed payments, net of any lease incentives receivable.

Subsequently, the interest method is applied, and measurement is based on amortized cost, with interest expense recognized over the lease term. When changes in the lease term or lease payments arise that are not attributable to contract modifications, the lease liability is reassessed, and the remeasured amount is adjusted against the right-of-use asset.

c. Right-of-use assets are recognized at cost on the commencement date of the lease, with such cost comprising the initial measurement amount of the lease liability.

Subsequent measurement is conducted using the cost model, with depreciation expense recognized over the shorter of the useful life of the right-of-use asset or the lease term. Upon remeasurement of lease liability, the carrying amount of the right-of-use asset is adjusted accordingly to reflect any corresponding remeasurement of the lease liability.

(17) Investment Properties

Investment property is initially recognized at acquisition cost and subsequently measured using the cost model. Depreciation is provided on a straight-line basis over an estimated useful life of 50 years.

(18) Intangible Assets

Computer software and similar assets are recognized at acquisition cost and are amortized on a straight-line basis over their estimated useful lives, which range from 1 to 10 years.

(19) Impairment of Non-Financial Assets

At each balance sheet date, the Group evaluates its assets for any indications of impairment and estimates their recoverable amounts. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognized. The recoverable amount is defined as the higher of an asset's fair value less costs of disposal and its value in use. Except for goodwill, if the circumstances that previously resulted in the recognition of an impairment loss no longer exist or have diminished, the previously recognized impairment loss shall be reversed. However, the increased carrying amount of the asset resulting from such a reversal shall not exceed the carrying amount, net of depreciation or amortization, that would have been determined had no impairment loss been recognized.

(20) Borrowings

This pertains to both long-term and short-term borrowings from banks. Upon initial recognition, the Group measures these borrowings at fair value, net of transaction costs. Thereafter, the difference between the amount net of transaction costs and the redemption value is amortized over the term of the borrowings using the effective interest method, with interest expense recognized in profit or loss.

(21) Accounts payable

a. Denotes liabilities arising from the purchase of raw materials, goods, or services on credit, as well as accounts payable resulting from both operating and non-operating activities.

b. The Group measures short-term accounts payable with unpaid interest at their original invoice amounts, as the effect of discounting is immaterial.

(22) Financial Liabilities measured at Fair Value Through Profit or Loss

a. This refers to financial liabilities held for trading, including those incurred principally for the purpose of repurchasing in the near term and derivative instruments other than those designated as hedging instruments under hedge accounting.

b. The Group initially measures these financial liabilities at fair value, with related transaction costs recognized in profit or loss. They are subsequently measured at fair value, with gains or losses recognized in profit or loss.

(23) Convertible Bonds Payable

The convertible corporate bonds issued by the Group contain embedded conversion rights (i.e., holders may elect to convert the bonds into the Group's ordinary shares at a fixed amount for a fixed number of shares), as well as put and call options. Upon initial issuance, the issue price is allocated among financial assets, financial liabilities, or equity in accordance with the terms of issuance, and is accounted for as follows:

a. Embedded put and call options: At initial recognition, the net fair value amount is recognized under "financial assets or liabilities at fair value through profit or loss." Subsequently, at each balance sheet date, these options are measured at fair value, with any resulting differences recognized as "gains or losses on financial assets (liabilities) at fair value through profit or loss."

b. Master contract of corporate bonds: At initial recognition, corporate bonds are measured at fair value, with the difference between the fair value and the redemption value recognized as either a premium or discount on bonds payable. Thereafter, the effective interest method is applied, and the resulting amortization is recognized in profit or loss over the period of circulation as an adjustment to finance costs.

c. Embedded conversion rights (qualifying as equity): At initial recognition, the residual amount remaining after deducting the aforementioned "financial assets or liabilities at fair value through profit or loss" and "bonds payable" from the issuance amount is recognized under "capital surplus – stock warrants." No subsequent remeasurement is performed.

d. Any transaction costs directly attributable to the issuance shall be allocated to each component of liabilities and equity in proportion to the original carrying amount of each respective component, as described above.

e. Upon conversion by the holder, the recorded liability components (including "bonds payable" and "financial assets or liabilities at fair value through profit or loss") are subsequently measured in accordance with their respective classifications. The aggregate carrying amounts of these liability components, together with the carrying amount of "capital surplus – stock warrants," are recognized as the issuance cost of the ordinary shares issued upon conversion.

(24) Derecognition of Financial Liabilities

The Group derecognizes a financial liability only when the contractual obligations are discharged, canceled, or expire.

(25) Employee Benefits

a. Short-term employee benefits

Short-term employee benefits are measured at the expected undiscounted amounts to be paid and are recognized as expenses in the period in which the related services are rendered.

b. Pension Plan

(i) Defined Contribution Plan

For defined contribution plans, the required retirement fund contributions for the period are recognized as pension costs on an accrual basis. Prepaid contributions are recognized as assets to the extent that they are refundable in cash or can be applied to reduce future contributions.

(ii) Defined Benefit Plans

A. The net obligation under a defined benefit plan is calculated by discounting the future benefit amounts accrued by employees for current or past service. This obligation is measured as the present value of the defined benefit obligation as of the balance sheet date, less the fair value of plan assets. The net defined benefit obligation is determined annually by an actuary using the projected unit credit method. The discount rate is based on the market yield of government bonds at the balance sheet date, with a currency and maturity consistent with those of the defined benefit plan.

B. Remeasurements arising from defined benefit plans are recognized in other comprehensive income (loss) in the period in which they occur and are subsequently presented within retained earnings.

(iii) Employee Compensation and Director Compensation

Employee compensation and director compensation are recognized as expenses and liabilities when a legal or constructive obligation exists and the amount can be reasonably estimated. Any difference between the actual amount subsequently distributed and the previously estimated amount is recognized as a change in accounting estimate. Furthermore, when employee compensation is granted in the form of shares, the number of shares is determined based on the closing price on the day prior to the resolution of the Board of Directors.

(26) Income Tax

a. Income tax expense comprises both current and deferred income tax. Income tax relating to items included in other comprehensive income or directly in equity is recognized separately in other comprehensive income or directly in equity, respectively. All other income tax is recognized in profit or loss.

b. The Group calculates current income tax based on the tax rates that have been enacted or substantively enacted in each jurisdiction where it operates and generates taxable income as of the balance sheet date. Management regularly reviews the status of income tax filings in accordance with applicable income tax regulations and, where appropriate, estimates income tax liabilities based on the amounts expected to be paid to tax authorities. For the Company and its domestic subsidiaries, income tax on undistributed earnings, as stipulated by the Income Tax Act, is recognized as an income tax expense in the year following the year in which the earnings are generated, subsequent to the approval of the earnings distribution plan by the shareholders' meeting and based on the actual distribution of earnings.

c. Deferred income tax is recognized using the balance sheet liability method, which is based on temporary differences between the tax bases of assets and liabilities and their carrying amounts as presented in the consolidated balance sheets. Deferred income tax liabilities arising from the initial recognition of goodwill are not recognized. Furthermore, deferred income tax is not recognized for temporary differences arising from the initial recognition of an asset or liability in a transaction (other than a business combination) that, at the time of the transaction, does not affect accounting profit or taxable income (tax loss), and does not give rise to equal taxable and deductible temporary differences. For temporary differences relating to investments in subsidiaries and associates, deferred income tax is not recognized if the Group is able to control the timing of the reversal of such temporary differences and it is probable that these differences will not be reversed in the foreseeable future.

Deferred income tax is measured at the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax assets are realized or the deferred income tax liabilities are settled.

d. Deferred income tax assets are recognized to the extent that it is highly probable that temporary differences will be utilized to offset future taxable income. Both recognized and unrecognized deferred income tax assets are reassessed at each balance sheet date.

(27) Capital Stock

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or share options are deducted from equity, net of income tax.

(28) Dividend Distribution

The distribution of cash dividends, in accordance with the amended Article 240 of the Company Act and the Company’s Articles of Incorporation, is recognized as a liability in the financial statements upon a special resolution of the Board of Directors. The distribution of stock dividends is recognized as stock dividends to be distributed in the financial statements upon resolution by the shareholders’ meeting and is reclassified as common stock on the record date of the new share issuance.

(29) Revenue Recognition

Sales of Goods

a. The Group manufactures and sells electronic equipment, capacitors, and related products in the market. Sales revenue is recognized when control of the products is transferred to the customer, which occurs upon delivery of the products. At this point, the customer has discretion over the distribution channels and pricing of the products, and the Group has no remaining performance obligations that could affect the customer’s acceptance of the products. When the products are shipped to the designated location, the risks of obsolescence and loss are transferred to the customer, who accepts the products in accordance with the sales contract, or when there is objective evidence that all acceptance criteria have been satisfied. Delivery of goods is deemed to have occurred at this point.

b. Sales revenue is recognized at the net contract price, after deducting estimated sales discounts. Sales discounts granted to customers are generally calculated based on the cumulative sales volume over a 12-month period. The Group estimates sales discounts using the expected value method, based on historical experience. Revenue is recognized only to the extent that it is highly probable that a significant reversal will not occur in the future, and such estimates are updated at each balance sheet date. As of the balance sheet date, estimated sales discounts payable to customers related to sales are recognized as refund liabilities.

c. Accounts receivable are recognized upon delivery of goods to customers, as the Group obtains an unconditional right to receive contractual consideration at that time, with collection from the customer being dependent solely on the passage of time.

(30) Government Grants

Government grants are recognized at fair value when it is reasonably assured that the Group will comply with the conditions attached to the grants and that the grants will be received. If a government grant is intended to compensate the Group for expenses incurred, it is recognized in profit or loss on a systematic basis over the periods in which the related expenses are recognized. Government grants related to property, plant, and equipment are recognized as non-current liabilities and are credited to profit or loss on a straight-line basis over the estimated useful lives of the related assets.

(31) Operating Segments

The Group discloses its operating segment information in a manner consistent with the internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to the operating segments and assessing their performance. The Board of Directors has been designated as the chief operating decision maker of the Group.

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

In the preparation of these consolidated financial statements, the Group's management has exercised judgment in determining the accounting policies adopted and has made accounting estimates and assumptions based on reasonable expectations of future events as of the balance sheet date. The significant accounting estimates and assumptions made may differ from actual results and are subject to continuous evaluation and adjustment in light of historical experience and other relevant factors. These estimates and assumptions involve risks that could result in material adjustments to the carrying amounts of assets and liabilities in the next financial year. Please refer to the following disclosures regarding significant accounting judgments, estimates, and uncertainties in assumptions.

(1) Significant Judgments in the Adoption of Accounting Policies

None.

(2) Significant Accounting Estimates and Assumptions

Fair Value Measurement of Financial Assets at Fair Value Through Profit or Loss and Through Other Comprehensive Income - Unlisted Equity Securities Without an Active Market

The unlisted (OTC) equity securities held by the Company that do not have an active market are measured at fair value by reference to the current fair value of other financial instruments with substantially similar terms and characteristics, the discounted cash flow method, or other valuation techniques, including models utilizing market information available as of the consolidated balance sheet date. Any changes in judgments or estimates may affect the measurement of their fair value. For further information regarding the fair value of financial instruments, please refer to Note 12(3).

As of December 31, 2025, the carrying amounts of the Company's unlisted (OTC) company shares without an active market, classified as financial assets measured at fair value through profit or loss and at fair value through other comprehensive income, were $408,717 and $174,032, respectively.

6. Explanation of Significant Accounting Items

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on Hand	$ 732	$ 585
Bank Deposits	1,207,423	1,202,250
Time Deposits	414,784	472,764
Total	$ 1,622,939	$ 1,675,599

a. The Group transacts with financial institutions of good credit quality and maintains relationships with multiple financial institutions to diversify credit risk. The possibility of default is expected to be very low.

b. The Group has not pledged any cash or cash equivalents.

(2) Financial assets at fair value through profit or loss

Contents	December 31, 2025	December 31, 2024
Current items:		
Financial Assets Mandatorily Measured at Fair Value Through Profit or Loss		
Shares of Listed, OTC, and Emerging Stock Companies	$ 79,203	$ 317,944
Beneficiary Certificates	12,046	54,071
Convertible Corporate Bonds	2,525	2,525
Subtotal	93,774	374,540
Valuation Adjustment	18,765	(31,870)
Total	$ 112,539	$ 342,670
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed and OTC Company Shares	$ 75,723	$ 98,988
Shares of Unlisted, Non-OTC, and Non-Emerging Stock Board companies	380,410	380,410
Beneficiary Certificates	10,326	43,094
Subtotal	466,459	522,492
Valuation Adjustment	20,385	740
Total	$ 486,844	$ 523,232

a. Details of financial assets measured at fair value through profit or loss recognized in profit or loss are as follows:

Contents	Year 2025	Year 2024
Financial Assets Mandatorily Measured at Fair Value Through Profit or Loss		
Equity Instruments	($ 38,303)	($ 42,948)
Debt Instruments	(95)	1,445
	($ 38,398)	($ 41,503)

b. The Group has not pledged financial assets measured at fair value through profit or loss as collateral.

c. For information on price risk and fair value of financial assets measured at fair value through profit or loss, please refer to Note 12(2) and (3).

(3) Financial assets measured at fair value through other comprehensive income

Contents	December 31, 2025	December 31, 2024
Non-current items:		
Equity Instruments		
Shares of unlisted, Non-OTC, and Non-Emerging Stock Board companies	$ 178,161	$ 178,741
Valuation Adjustment	(4,129)	(6,229)
Total	$ 174,032	$ 172,512

a. The Group has elected to classify equity instruments held for strategic investment purposes as financial assets measured at fair value through other comprehensive income. The fair values of these investments as of December 31, 2025 and 2024 were $174,032 and $172,512, respectively.

b. Details of financial assets measured at fair value through other comprehensive income recognized in profit or loss and comprehensive income are as follows:

Equity instruments measured at fair value through other comprehensive income (loss)	Year 2025	Year 2024
Fair value changes recognized in other comprehensive income (losses)	$ 723	$ 11,662

c. The Group has not pledged financial assets measured at fair value through other comprehensive income as collateral.

d. For information on price risk and fair value of financial assets measured at fair value through other comprehensive income, please refer to Note 12(2) and (3).

(4) Financial assets measured at amortized cost

Contents	December 31, 2025	December 31, 2024
Current items:		
Pledged time deposits	$ 330,274	$ 414,198
Restricted bank deposits (repayment account)	186	75,406
Total	$ 330,460	$ 489,604

a. Without consideration of collateral held or other credit enhancements, the amounts that best represent the Group's maximum exposure to credit risk for financial assets measured at amortized cost as of December 31, 2025 and 2024 were $330,460 and $489,604, respectively.

b. For financial assets measured at amortized cost pledged as collateral, please refer to Note 8.

(5) Notes and accounts receivable

a. Non-related Parties

	December 31, 2025	December 31, 2024
Notes Receivable	$ 940	$ 1,500
Less: Allowance for Losses	-	-
	$ 940	$ 1,500

	December 31, 2025	December 31, 2024
Accounts Receivable	$ 1,546,145	$ 1,363,329
Less: Allowance for Losses	(845)	(832)
	$ 1,545,300	$ 1,362,497

b. The aging analysis of notes and accounts receivable is as follows:

	December 31, 2025	December 31, 2024
Not past due	$ 1,529,551	$ 1,331,609
Past due within 30 days	12,704	28,019
31–90 days	3,985	4,369
Over 91 days	-	-
	$ 1,546,240	$ 1,363,997

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

c. As of December 31, 2025 and 2024, the Group’s accounts receivable and notes receivable were generated from customer contracts. In addition, as of January 1, 2024, the balance of accounts receivable and notes receivable generated from customer contracts was $1,193,720.

d. Without consideration of collateral held or other credit enhancements, the amounts that best represent the Group’s maximum exposure to credit risk for notes and accounts receivable as of December 31, 2025 and 2024 were $1,546,240 and $1,363,997, respectively.

e. The Group does not hold any collateral.

f. For information on credit risk associated with accounts receivable, please refer to Note 12(2).

(6) Inventories

	December 31, 2025		
	Cost	Allowance for Decline in Market Value	Carrying Amount
Raw Materials	$ 523,839	($ 43,544)	$ 480,295
Work in progress	177,422	-	177,422
Finished Goods	808,741	(53,836)	754,905
Total	$ 1,510,002	($ 97,380)	$ 1,412,622

	December 31, 2024		
	Cost	Allowance for Decline in Market Value	Carrying Amount
Raw Materials	$ 556,449	($ 47,070)	$ 509,379
Work in progress	129,143	-	129,143
Finished Goods	776,320	(51,290)	725,030
Total	$ 1,461,912	($ 98,360)	$ 1,363,552

Inventory costs recognized as expenses during the current period:

	Year 2025	Year 2024
Cost of Goods Sold	$ 3,002,898	$ 2,727,926
Write-down losses	8,978	27,701
Cost of sales	$ 3,011,876	$ 2,755,627

(7) Investments accounted for under the equity method

	December 31, 2025	December 31, 2024
Associates:		
Yong Cheng Environmental Tech. Co., Ltd.	$ 32,360	$ 36,756

The Group’s share of profit or loss of associates and joint ventures accounted for using the equity method for 2025 and 2024 is as follows:

	Year 2025	Year 2024
Associates:		
Yong Cheng Environmental Tech. Co., Ltd.	($ 15,345)	($ 16,631)

a. Associates

(i) Basic information on the Group's significant associates is as follows:

Company Name	Principal place of business	Percentage of common stock ownership December 31, 2025	Percentage of common stock ownership December 31, 2024	Relationship Nature	Measurement Method	Note
Yong Cheng Environmental Tech. Co., Ltd.(formerly Sustainable Development Co., Ltd.)	Taiwan	5.60%	6.82%	Financial investment	Equity method	Notes 1 and 2

Note 1: Sustainable Development Co., Ltd. approved a share-swap absorption merger with its subsidiary, Yong Cheng Environmental Tech. Co., Ltd., at the extraordinary shareholders' meeting on November 1, 2025. This transaction repersented an organizational restructuring, wherein Sustainable Development Ltd. was the dissolved company, and the dissolution record date was December 11, 2025.

Note 2: The Company holds 5.60% of the company. Considering the shares held by the Company's chairman and others, the Company has significant influence over that company and therefore accounts for it using the equity method.

(ii) Summarized financial information of the Group's significant associates is as follows:

Balance Sheet

	Yong Cheng Environmental Tech. Co., Ltd. December 31, 2025	Yong Cheng Environmental Tech. Co., Ltd. December 31, 2024
Current assets	$ 169,509	$ 576,476
Non-current assets	2,354,908	406,644
Current liabilities	(1,187,933)	(295,420)
Non-current liabilities	(758,621)	(148,750)
Total Net Assets	$ 577,863	$ 538,950
Share of net assets of associates	$ 32,360	$ 36,756
Goodwill	-	-
Carrying value of associates	$ 32,360	$ 36,756

Statement of Comprehensive Income

	Sustainable Development Co., Ltd. Year 2025	Sustainable Development Co., Ltd. Year 2024
Revenue	$ 92,518	$ 3,989
Net loss from continuing operations for the current period	($ 266,498)	($ 239,488)
Total comprehensive income (loss)	($ 266,498)	($ 239,488)
Dividends received from associates	$ -	$ -

b. The Group's investments accounted for under the equity method are not quoted in an active market.

(8) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress Equipment pending inspection	Leasehold improvements	Total
January 1, 2025								
Cost	$ 291,102	$ 953,211	$ 2,311,869	$ 32,841	$ 422,156	$ 524,673	$ 80,610	$ 4,616,462
Accumulated Depreciation	-	(291,549)	(1,656,482)	(28,069)	(316,385)	-	(19,819)	(2,312,304)
	$ 291,102	$ 661,662	$ 655,387	$ 4,772	$ 105,771	$ 524,673	$ 60,791	$ 2,304,158
2025								
January 1	$ 291,102	$ 661,662	$ 655,387	$ 4,772	$ 105,771	$ 524,673	$ 60,791	$ 2,304,158
Additions	-	22,327	131,902	1,388	34,908	3,488	178	194,191
Disposals - cost	-	-	(42,716)	(5,582)	(3,137)	-	-	(51,435)
Disposals - accumulated depreciation	-	-	42,568	5,582	3,137	-	-	51,287
Reclassification	-	379,660	6,942	-	1,826	(380,680)	-	7,748
Depreciation expense	-	(24,159)	(127,658)	(1,514)	(25,750)	-	(1,643)	(180,724)
Net exchange differences	12,196	22,863	13,950	67	3,350	2,696	-	55,122
December 31	$ 303,298	$ 1,062,353	$ 680,375	$ 4,713	$ 120,105	$ 150,177	$ 59,326	$ 2,380,347
December 31, 2025								
Cost	$ 303,298	$ 1,382,188	$ 2,449,006	$ 28,925	$ 467,006	$ 150,177	$ 80,787	$ 4,861,387
Accumulated Depreciation	-	(319,835)	(1,768,631)	(24,212)	(346,901)	-	(21,461)	(2,481,040)
	$ 303,298	$ 1,062,353	$ 680,375	$ 4,713	$ 120,105	$ 150,177	$ 59,326	$ 2,380,347

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress Equipment pending inspection	Leasehold improvements	Total
January 1, 2024								
Cost	$ 272,770	$ 919,082	$ 2,098,611	$ 31,059	$ 377,933	$ 419,199	$ 80,160	$ 4,198,814
Accumulated Depreciation	-	(260,986)	(1,465,385)	(25,129)	(279,126)	-	(18,248)	(2,048,874)
	$ 272,770	$ 658,096	$ 633,226	$ 5,930	$ 98,807	$ 419,199	$ 61,912	$ 2,149,940
2024								
January 1	$ 272,770	$ 658,096	$ 633,226	$ 5,930	$ 98,807	$ 419,199	$ 61,912	$ 2,149,940
Additions	-	-	71,753	529	9,749	93,395	450	175,876
Disposals - cost	-	-	-	-	(477)	-	-	(477)
Disposals - accumulated depreciation	-	-	-	-	477	-	-	477
Reclassification	-	-	49,309	-	16,146	(19,684)	-	45,771
Depreciation expense	-	(19,798)	(129,553)	(1,894)	(24,318)	-	(1,571)	(177,134)
Net exchange differences	18,332	23,364	30,652	207	5,387	31,763	-	109,705
December 31	$ 291,102	$ 661,662	$ 655,387	$ 4,772	$ 105,771	$ 524,673	$ 60,791	$ 2,304,158
December 31, 2024								
Cost	$ 291,102	$ 953,211	$ 2,311,869	$ 32,841	$ 422,156	$ 524,673	$ 80,610	$ 4,616,462
Accumulated Depreciation	-	(291,549)	(1,656,482)	(28,069)	(316,385)	-	(19,819)	(2,312,304)
	$ 291,102	$ 661,662	$ 655,387	$ 4,772	$ 105,771	$ 524,673	$ 60,791	$ 2,304,158

a. Capitalized borrowing costs for property, plant and equipment and capitalization interest rate range:

	Year 2025	Year 2024
Capitalized amount	$ -	$ 7,305
Capitalization interest rate range	0%	5.34%

b. For information on property, plant and equipment pledged as collateral, please refer to Note 8.

(9) Lease Transactions – Lessee

a. The assets leased by the Group include land, buildings and structures, with lease terms generally ranging from 6 to 50 years. Lease contracts are negotiated individually and contain various terms and conditions. Except that leased assets may not be used as collateral for borrowings, no other restrictions are imposed.

b. The lease terms for software equipment and buildings leased by the Group do not exceed 12 months.

c. The carrying amounts of right-of-use assets and related depreciation expenses are as follows:

	December 31, 2025	December 31, 2024
	Carrying Amount	Carrying Amount
Land	$ 91,159	$ 93,680
Buildings and structures	258,692	264,970
	$ 349,851	$ 358,650

	Year 2025	Year 2024
	Depreciation expense	Depreciation expense
Land	$ 2,810	$ 2,888
Buildings and structures	7,276	7,290
	$ 10,086	$ 10,178

d. Additions to right-of-use assets of the Group were $1,015 and $801 for 2025 and 2024, respectively.

e. Information on profit or loss items related to lease contracts is as follows:

	Year 2025	Year 2024
Items affecting current profit or loss		
Interest expense on lease liabilities	$ 4,148	$ 4,280
Expenses pertaining to short-term lease contracts	$ 3,217	$ 3,848

f. The Group's total cash outflows related to leases were $14,163 and $14,833 for 2025 and 2024, respectively.

(10) Investment Properties

	2025	2024
	Buildings and structures	Buildings and structures
January 1		
Cost	$ 93,415	$ 90,268
Accumulated Depreciation	(16,403)	(14,045)
	$ 77,012	$ 76,223
January 1	$ 77,012	$ 76,223
Depreciation expense	(1,808)	(1,858)
Net exchange differences	257	2,647
December 31	$ 75,461	$ 77,012
December 31		
Cost	$ 93,809	$ 93,415
Accumulated Depreciation	(18,348)	(16,403)
	$ 75,461	$ 77,012

a. Rental income and direct operating expenses of investment properties:

	Year 2025	Year 2024
Rental income from investment properties	$ 2,673	$ 3,042
Direct operating expenses arising from investment properties that generated rental income during the period	$ 1,808	$ 1,858

b. The fair values of investment properties held by the Group as of December 31, 2025 and 2024 were $91,180 and $97,180, respectively. These fair values were not determined by independent appraisers but were assessed by management of the consolidated entities with reference to market evidence of property transaction prices, and are classified as Level 3 fair values.

(11) Intangible assets

	Computer Software	Other Intangible Assets	Total
January 1, 2025			
Cost	$ 10,575	$ 96,903	$ 107,478
Accumulated Amortization and Impairment	(6,345)	(36,473)	(42,818)
	$ 4,230	$ 60,430	$ 64,660
2025			
January 1	$ 4,230	$ 60,430	$ 64,660
Additions	1,883	-	1,883
Disposals - cost	(732)	-	(732)
Disposals - accumulated amortization and impairment	732	-	732
Amortization expense	(1,909)	(9,399)	(11,308)
Net exchange differences	89	(98)	(9)
December 31	$ 4,293	$ 50,933	$ 55,226
December 31, 2025			
Cost	$ 11,907	$ 97,312	$ 109,219
Accumulated Amortization and Impairment	(7,614)	(46,379)	(53,993)
	$ 4,293	$ 50,933	$ 55,226

	Computer Software	Other Intangible Assets	Total
January 1, 2024			
Cost	$ 8,687	$ 93,639	$ 102,326
Accumulated Amortization and Impairment	(4,853)	(25,860)	(30,713)
	$ 3,834	$ 67,779	$ 71,613

2024			
January 1	$ 3,834	$ 67,779	$ 71,613
Additions	1,995	-	1,995
Disposals - cost	(428)	-	(428)
Disposals - accumulated amortization and impairment	428	-	428
Amortization expense	(1,729)	(9,660)	(11,389)
Net exchange differences	130	2,311	2,441
December 31	$ 4,230	$ 60,430	$ 64,660
December 31, 2024			
Cost	$ 10,575	$ 96,903	$ 107,478
Accumulated Amortization and Impairment	(6,345)	(36,473)	(42,818)
	$ 4,230	$ 60,430	$ 64,660

Amortization of intangible assets was as follows:

	Year 2025	Year 2024
Operating costs	$ 123	$ 126
Selling expenses	13	24
Administrative expenses	1,809	1,616
Research and development expenses	9,363	9,623
	$ 11,308	$ 11,389

(12) Short-term loans

Nature of Borrowings	December 31, 2025	Interest Rate Range	Collateral
Bank borrowings			
Credit Borrowings	$ 1,020,000	1.88%~1.965%	None
Secured Borrowings	190,000	1.8499%~1.925%	Note 8
	$ 1,210,000		

Nature of Borrowings	December 31, 2024	Interest Rate Range	Collateral
Bank borrowings			
Credit Borrowings	$ 1,670,000	1.87%~2.1636%	None
Secured Borrowings	190,000	1.8413%~1.975%	Note 8
	$ 1,860,000		

(13) Short-term notes payable

Accepting Institution	December 31, 2024	Period	Interest Rate Range	Collateral
Grand Cathay Securities	$ 80,000	2024/12/6-2025/1/3	1.9600%	None

Note: As of December 31, 2025, the Group's balance of short-term notes payable was $0.

(14) Financial liabilities measured at fair value through profit or loss

Contents	December 31, 2025	December 31, 2024
Non-current items:		
Financial liabilities designated as measured at fair value through profit or loss		
Derivative instruments	$ 1,120	$ -

a. Details of financial liabilities measured at fair value through profit or loss recognized in profit or loss are as follows:

	Year 2025	Year 2024
Financial liabilities designated as measured at fair value through profit or loss		
Derivative instruments	($ 630)	$ -

c. Derivative instruments represent the call and put options of the convertible corporate bonds issued by the Group.

(15) Corporate bonds payable

	December 31, 2025	December 31, 2024
Corporate bonds payable	$ 350,000	$ -
Less: Discount on corporate bonds payable	(26,841)	-
	$ 323,159	$ -

The Group issued the sixth domestic unsecured convertible corporate bonds approved by the competent authority for offering and issuance. The related information is as follows:

a. Issuance terms are as follows

A. The total issuance amount was $350,000, with a coupon rate of 0% and a term of 3 years. The bonds circulate from December 16, 2025 to December 16, 2028. The convertible corporate bonds will be repaid in cash in one lump sum at par value upon maturity. The convertible corporate bonds were listed for trading on the Taipei Exchange on December 16, 2025.

B. From the day following the three-month anniversary of the issuance date of the bonds until the maturity date, except during periods when registration transfer is suspended pursuant to the regulations or laws, bondholders may request the Group at any time to convert the bonds into common shares of Taiwan Chinsan Electronic Industrial Co., Ltd. The rights and obligations of the common shares after conversion are the same as those of the originally issued common shares.

C. Bondholders may, on the second anniversary of the issuance of the convertible corporate bonds, request Taiwan Chinsan Electronic Industrial Co., Ltd. to repurchase their convertible corporate bonds at 100% of the par value (effective yield of 0%).

D. From the day following the three-month anniversary of issuance of the convertible corporate bonds until 40 days before the expiration of the issuance period, if the closing price of Taiwan Chinsan Electronic Industrial Co., Ltd.’s common shares exceeds the then-current conversion price by 30% for 30 consecutive business days, or if the outstanding balance of the convertible corporate bonds is less than 10% of the original total issuance amount, Taiwan Chinsan Electronic Industrial Co., Ltd. may redeem all bonds in cash at par value at any time thereafter.

b. When issuing the convertible corporate bonds, the Group separated the equity conversion option from each liability component in accordance with IAS 32 “Financial Instruments: Presentation” and recognized $21,149 under “capital surplus - stock warrants.” In addition, the embedded call and put options were separated in accordance with IFRS 9 “Financial Instruments” because their economic characteristics and risks are not closely related to those of the host debt contract, and the net amount was recognized as “financial assets or liabilities measured at fair value through profit or loss.” The effective interest rate of the separated host debt contract is 2.1875%.

c. On August 11, 2025, the Board of Directors authorized the Chairman to determine the pricing reference date and jointly negotiate the conversion price with the lead underwriter. On December 8, 2025, the Chairman set the conversion price at NT$60.

(16) Long-term loans

Nature of Borrowings	Repayment Period and Method	Interest Rate Range	December 31, 2025
Long-term bank loans			
Credit Borrowings	Interest is payable monthly and principal is repayable in one lump sum at maturity for the following periods: February 14, 2025 to January 23, 2028; November 3, 2025 to November 3, 2027; November 3, 2025 to October 27, 2027; December 24, 2025 to March 20, 2027; and January 3, 2025 to January 31, 2027.	1.9500%~2.0877%	$ 1,370,000
Secured Borrowings	From November 24, 2022 to November 23, 2027, principal is repayable in 36 installments starting October 24, 2024, with interest payable monthly.	5.3400%	84,822
Less: Current portion of long-term borrowings due within one year or one operating cycle			(66,895)
			$ 1,387,927

Nature of Borrowings	Repayment Period and Method	Interest Rate Range	December 31, 2024
Long-term bank loans			
Credit Borrowings	Interest is payable monthly and principal is repayable in one lump sum at maturity for the following periods: January 25, 2024 to December 25, 2029; December 26, 2024 to January 31, 2027; August 30, 2024 to December 6, 2026; and February 15, 2023 to February 20, 2025.	0.5000%~2.2000%	$ 1,014,332
Secured Borrowings (Note)	Interest is payable monthly from January 25, 2024 to December 25, 2029, and the principal is repayable in one lump sum at maturity.	0.5000%	17,328
Secured Borrowings	From November 24, 2022 to November 23, 2027, principal is repayable in 36 installments starting October 24, 2024, with interest payable monthly.	5.3400%	145,615
Less: Current portion of long-term borrowings due within one year or one operating cycle			(314,205)
			$ 863,070

Note: Secured by the Small and Medium Enterprise Credit Guarantee Fund.

For details of assets pledged as collateral for bank borrowings, please refer to Note 8.

(17) Pension

a.(i) The Company and its domestic subsidiaries have established a defined benefit pension plan in accordance with the Labor Standards Act, which applies to all regular employees' years of service prior to the implementation of the Labor Pension Act on July 1, 2005, and to subsequent years of service for employees who elect to continue applying the Labor Standards Act after implementation of the Labor Pension Act. Pension payments for employees who meet retirement eligibility are calculated based on years of service and the average salary for the six months immediately preceding retirement. Two base units are granted for each full year of service up to and including 15 years, and one base unit is granted for each additional full year of service over 15 years, with a maximum accumulation of 45 base units. The Company contributes 2% of total salaries monthly to the pension fund, which is deposited in a dedicated account at Bank of Taiwan in the name of the Labor Retirement Reserve Supervisory Committee. In addition, before the end of each year, the Company and its domestic subsidiaries estimate the balance of the labor retirement reserve account. If the balance is insufficient to pay the estimated pension amounts for employees expected to meet retirement eligibility in the following year, the Company and its domestic subsidiaries will make a one-time contribution for the shortfall by the end of March of the following year. The subsidiary Chinsan Thailand is required under local Thai regulations to contribute a specified percentage of employees' monthly total salaries to a pension management institution, and is obligated to pay certain severance benefits upon employee retirement in accordance with labor regulations.

(ii) Amounts recognized in the balance sheet are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	($ 22,037)	($ 16,506)
Fair value of plan assets	19	10
Net defined benefit liabilities	($ 22,018)	($ 16,496)

(iii) Movements in net defined benefit liabilities are as follows:

2025

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
January 1	($ 16,506)	$ 10	($ 16,496)
Current service cost	(73)	-	(73)
Interest (expense) income	(990)	-	(990)
	(17,569)	10	(17,559)
Remeasurements:			
Effects of demographic assumption changes	(1,364)	-	(1,364)
Effects of financial assumption changes	(964)	-	(964)
Experience adjustment	(1,376)	-	(1,376)
Other	-	-	-
	(3,704)	-	(3,704)
Contributions to retirement fund	-	9	9
Pension payments	174	-	174
Exchange differences	(938)	-	(938)
December 31	($ 22,037)	$ 19	($ 22,018)

2024

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
January 1	($ 10,708)	$ 1	($ 10,707)
Current service cost	(916)	-	(916)
Interest (expense) income	(343)	-	(343)
	(11,967)	1	(11,966)
Remeasurements:			
Effects of demographic assumption changes	(6)	-	(6)

Effects of financial assumption changes	(326)	-	(326)
Experience adjustment	58	-	58
Other	(3,121)	-	(3,121)
	(3,395)	-	(3,395)
Contributions to retirement fund	-	9	9
Pension payments	174	-	174
Exchange differences	(1,318)	-	(1,318)
December 31	($ 16,506)	$ 10	($ 16,496)

(iv) The fund assets of the Company's defined benefit pension plan are managed by Bank of Taiwan in accordance with the proportions and amounts specified in the fund's annual investment utilization plan and within the scope of entrusted management items under Article 6 of the Regulations for Revenues, Expenditures, Safekeeping and Utilization of the Labor Retirement Fund, including deposits in domestic and foreign financial institutions, investments in domestic and foreign listed, OTC, or privately placed equity securities, and investments in domestic and foreign real estate securitization products. Utilization of the fund is supervised by the Labor Retirement Fund Supervisory Committee. The minimum annual return distributed from the fund's utilization may not be lower than the return calculated based on the local two-year time deposit interest rate; any shortfall is made up by the National Treasury upon approval by the competent authority. Because the Company has no right to participate in the operation or management of the fund, it cannot disclose the fair value classification of plan assets in accordance with paragraph 142 of IAS 19. For the fair value of total assets comprising the fund as of December 31, 2025 and 2024, please refer to the annual labor retirement fund utilization reports published by the government.

The fund assets of the defined benefit pension plan of the subsidiary Chinsan Thailand are based on Section 118 of Chapter 11 of Thailand's Labor Protection Act, which is regarded as a post-employment benefit plan.

(v) Summary of actuarial assumptions relating to pensions is as follows:

	Year 2025	Year 2024
Discount rate	1.25%~1.95%	1.50%~2.50%
Future salary increase rate	2.00%	2.00%

Assumptions regarding future mortality are based on published statistics and experience in each country.

Analysis of the present value of defined benefit obligations affected by changes in the principal actuarial assumptions is as follows:

	Discount rate		Future salary increase rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2025				
Effect on the present value of defined benefit obligations	($ 548)	$ 573	$ 571	($ 549)
December 31, 2024				
Effect on the present value of defined benefit obligations	($ 263)	$ 272	$ 300	($ 219)

The above sensitivity analysis analyzes the effect of a change in a single assumption while other assumptions remain unchanged. In practice, changes in many assumptions may be correlated. The sensitivity analysis is consistent with the method used to calculate the net pension liability recognized in the balance sheet.

The methods and assumptions used in preparing the sensitivity analysis for the current period are the same as those used in the prior period.

(vi) The Group expects to contribute $2,374 to pension plans in 2026.

(vii) As of December 31, 2025, the weighted average duration of the pension plan was 3 to 12 years. The maturity analysis of pension payments is as follows:

Less than 1 year	$ 722
1-2 years	869
2-5 years	7,920
Over 5 years	17,474
	$ 26,985

b.(i) Since July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan in accordance with the Labor Pension Act for employees of R.O.C. nationality. For employees who elect to participate in the pension system under the Labor Pension Act, the Company and its domestic subsidiaries contribute 6% of monthly salaries to individual employee pension accounts with the Bureau of Labor Insurance. Pension payments are made from the employees’ individual pension accounts and accumulated earnings, either as monthly pensions or lump-sum pensions.

(ii) The subsidiaries in China, King Nichi Technology Guangzhou Co., Ltd., Guangzhou Kingtachi Electronic Co., Ltd., and Guangzhou Youmao Electronics Co., Ltd., contribute monthly pension insurance premiums at a specified percentage of the total local employee salaries in accordance with the pension insurance system prescribed by the government of the People’s Republic of China. The contribution rate was 14% for both 2025 and 2024. The government manages and arranges each employee’s pension, and the Group has no further obligation other than monthly contributions.

(iii) For 2025 and 2024, the Group recognized pension costs of $49,830 and $45,174, respectively, under the above pension plans.

(18) Capital Stock

As of December 31, 2025, the Company’s authorized capital was $3,000,000, divided into 300,000 thousand shares, and its paid-in capital was $1,294,625, with a par value of NT$10 per share. Payments for all issued shares of the Company have been fully collected. The total number of the Company’s issued and outstanding shares did not change in 2025 or 2024.

(19) Capital surplus

In accordance with the Company Act, capital surplus arising from the issuance of shares in excess of par value and from donated assets may be used to offset losses and, when the Company has no accumulated losses, may be distributed to shareholders in the form of new shares or cash in proportion to their original shareholdings. In addition, under relevant provisions of the Securities and Exchange Act, when the above capital surplus is transferred to capital, the aggregate amount transferred each year may not exceed 10% of paid-in capital. Capital surplus may not be used to cover capital deficits unless earnings reserves are insufficient to cover such deficits.

(20) Retained earnings

a. In accordance with Article 240 of the Company Act, the Company authorizes the Board of Directors, by a resolution adopted by a majority of directors present at a meeting attended by at least two-thirds of all directors, to distribute dividends and bonuses or all or part of the legal reserve and capital surplus prescribed in Article 241 of the Company Act in cash, and report such distribution to the shareholders’ meeting.

If there are earnings in the annual final accounts, they shall be distributed in the following order:

(i) Payment of taxes.

(ii) Offset losses from prior years.

(iii) Appropriate 10% as legal reserve, unless the legal reserve has reached the Company's total capital.

(iv) When necessary, appropriation or reversal of special reserve shall be made in accordance with relevant laws and regulations.

(v) The remaining amount, together with beginning undistributed earnings, shall be used as accumulated distributable earnings. The Board of Directors shall propose an earnings distribution plan of no less than 20%; however, if there are no earnings for the year or the Board deems the earnings to be low, the Board may resolve not to distribute earnings. When proposing an earnings distribution plan, the Board may include prior years' undistributed earnings to participate in the distribution and submit the proposal to the shareholders' meeting for resolution. If distribution is made by issuing new shares, it shall be submitted to the shareholders' meeting for resolution before distribution.

b. Legal reserve may not be used except to offset the Company's losses or to issue new shares or cash to shareholders in proportion to their original shareholdings; however, issuance of new shares or cash is limited to the portion of the reserve exceeding 25% of paid-in capital.

c. The Company's dividend policy is formulated in coordination with current and future development plans and after considering factors such as the investment environment and funding needs. Shareholder bonuses may be distributed in cash or shares, with cash dividends not less than 5% of total dividends; however, if the cash dividend per share is less than NT$1, the entire amount may be distributed as stock dividends instead.

d. When distributing earnings, the Company is required by law to appropriate a special reserve for the debit balance of other equity items as of the balance sheet date before distribution. When the debit balance of other equity items is subsequently reversed, the reversed amount may be included in distributable earnings.

e. The Company's shareholders resolved on the distribution of earnings for 2024 and 2023 at the shareholders' meetings held on June 13, 2025 and May 27, 2024, respectively, as follows:

	Year 2024		Year 2023	
	Amount	Dividends per share (NT$)	Amount	Dividends per share (NT$)
Appropriation of Legal Reserve	$ 7,391		$ 8,750	
(Reversal) appropriation of special reserve	(299,085)		26,957	
Cash dividends	181,248	$ 1.40	64,731	$ 0.50

In addition, the Company's shareholders' meetings held on June 13, 2025 and May 27, 2024 approved the distribution of cash of $12,946 and $90,624 from capital surplus arising from share issuance in excess of par value, respectively (NT$0.1 per share and NT$0.7 per share).

(21) Other Equity

	2025		
	Unrealized valuation gains and losses	Foreign currency translation	Total
January 1	($ 5,886)	($ 16,347)	($ 22,233)
Valuation Adjustment	723	-	723
Foreign currency translation differences	-	(53,378)	(53,378)
December 31	($ 5,163)	($ 69,725)	($ 74,888)

	2024		
	Unrealized valuation gains and losses	Foreign currency translation	Total
January 1	($ 17,548)	($ 303,770)	($ 321,318)
Valuation Adjustment	11,662	-	11,662
Foreign currency translation differences	-	287,423	287,423
December 31	($ 5,886)	($ 16,347)	($ 22,233)

(22) Operating revenue

	Year 2025	Year 2024
Revenue from customer contracts	$ 3,765,883	$ 3,430,181

a. Disaggregation of revenue from customer contracts

The Group's revenue is derived from goods transferred at a point in time and can be disaggregated into the following major product lines:

	Year 2025 Revenue from external customers	Year 2024 Revenue from external customers
Liquid electrolytic capacitors	$ 2,840,052	$ 2,578,647
Solid electrolytic capacitors	925,831	851,534
Contract revenue	$ 3,765,883	$ 3,430,181

b. Contract liabilities

(i) Revenue recognized in the current period from beginning contract liabilities

	Year 2025	Year 2024
Contract liabilities - advances received	$ 1,795	$ 33

(ii) Contract liabilities recognized by the Group in relation to revenue from customer contracts are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities - advances received	$ 639	$ 1,828	$ 60

(23) Interest income

	Year 2025	Year 2024
Interest on bank deposits	$ 50,472	$ 63,144

(24) Other income

	Year 2025	Year 2024
Dividend income	$ 6,052	$ 12,091
Rental income	4,556	3,636
Fire insurance claim income	14,795	-
Other income	14,797	12,316
	$ 40,200	$ 28,043

(25) Other gains and losses

	Year 2025	Year 2024
Losses on financial assets (liabilities) measured at fair value through profit or loss	($ 39,028)	($ 41,503)
Foreign exchange gains	9,466	33,200
Gains on disposal of property, plant and equipment	344	59
Other losses	(4,373)	(9,991)
	($ 33,591)	($ 18,235)

(26) Finance costs

	Year 2025	Year 2024
Interest expense:		
Bank borrowings	$ 63,226	$ 55,009
Corporate bonds payable	351	-
Lease liabilities	4,148	4,280
	$ 67,725	$ 59,289

(27) Additional information on expenses by nature

	Year 2025	Year 2024
Employee benefit expenses	$ 788,944	$ 750,542
Depreciation expense of property, plant and equipment	180,724	177,134
Depreciation expense of right-of-use assets	10,086	10,178
Amortization expense	23,147	19,954
Depreciation expense of investment Properties	1,808	1,858

(28) Employee benefit expenses

	Year 2025	Year 2024
Salary expenses	$ 652,695	$ 624,841
Labor and health insurance expenses	29,251	28,819
Pension expenses	50,893	46,433
Other personnel expenses	56,105	50,449
	$ 788,944	$ 750,542

a. Pursuant to the Company’s Articles of Incorporation, if the Company has profit for the year, it shall appropriate 1% to 5% as employee compensation (of which not less than 20% shall be allocated to rank-and-file employees) and not more than 3% as directors’ compensation. However, if the

Company has accumulated losses, the amount necessary to offset the losses shall first be reserved.

b. The estimated amounts of employee compensation for 2025 and 2024 were $2,109 and $1,768, respectively; the estimated amounts of director compensation were $4,218 and $3,536, respectively. The foregoing amounts were recorded as salary expenses.

For 2025, employee compensation and directors' compensation were estimated at 1.5% and 3%, respectively, based on the profit for the period. The Board of Directors resolved the actual distribution amounts to be $2,812 and $4,218, respectively, both to be paid in cash. The difference in employee compensation was accounted for as a change in accounting estimate.

The employee compensation and director compensation for 2024 approved by the Board of Directors were consistent with the amounts recognized in the 2024 financial statements, and the employee compensation will be paid in cash.

Information on employee and director compensation approved by the Company's Board of Directors is available on the Market Observation Post System.

(29) Income tax expense

a. Income tax expense

(i) Components of income tax expense:

	Year 2025	Year 2024
Current income tax:		
Income tax on current-period taxable income	$ 55,360	$ 50,053
Additional tax on undistributed earnings	9,399	-
Over/under-estimation of income tax in prior years	(3,182)	6,351
Total current income tax	61,577	56,404
Deferred income tax:		
Origination and reversal of temporary differences	(9,006)	2,704
Total deferred income tax	(9,006)	2,704
Income tax expense	$ 52,571	$ 59,108

(ii) Income tax amounts relating to other comprehensive income:

	Year 2025	Year 2024
Remeasurements of defined benefit obligations	$ 4	$ 26

b. Relationship between income tax expense and accounting profit

	Year 2025	Year 2024
Income tax calculated on profit before tax at the statutory tax rate	$ 53,790	$ 47,452
Income tax effects of adjustments required under tax laws	8,523	13,137
Deferred tax assets and liabilities not recognized for temporary differences	(11,729)	(29,065)
Changes in assessment of realizability of deferred tax assets and liabilities	(4,230)	21,233
Understatement of income tax in prior years	(3,182)	6,351
Additional tax on undistributed earnings	9,399	-
Income tax expense	$ 52,571	$ 59,108

c. Amounts of deferred tax assets or liabilities arising from temporary differences are as follows:

	2025			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
- Deferred income tax assets:				
Allowance for inventory obsolescence and write-down losses	$ 1,163	$ 321	$ -	$ 1,484
Actual pension contribution impact	1,755	-	-	1,755
Unrealized foreign exchange losses	-	177	-	177
Unrealized sales allowances	-	3,816	-	3,816
Other	633	206	-	839
Subtotal	3,551	4,520	-	8,071

- Deferred income tax liabilities:				
Unrealized foreign exchange gains	(4,516)	4,516	-	-
Effect of allowance for doubtful accounts	(1,308)	(30)	-	(1,338)
Actuarial gains and losses on defined benefit plans	(695)	-	(4)	(699)
Other	(29)	-	-	(29)
Subtotal	(6,548)	4,486	(4)	(2,066)
Total	($ 2,997)	$ 9,006	($ 4)	$ 6,005

	2024			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
- Deferred income tax assets:				
Allowance for inventory obsolescence and write-down losses	$ 746	$ 417	$ -	$ 1,163
Actual pension contribution impact	1,755	-	-	1,755
Other	633	-	-	633
Subtotal	3,134	417	-	3,551
- Deferred income tax liabilities:				
Unrealized foreign exchange gains	(1,395)	(3,121)	-	(4,516)
Effect of allowance for doubtful accounts	(1,308)	-	-	(1,308)
Actuarial gains and losses on defined benefit plans	(669)	-	(26)	(695)
Other	(29)	-	-	(29)
Subtotal	(3,401)	(3,121)	(26)	(6,548)
Total	($ 267)	($ 2,704)	($ 26)	($ 2,997)

d. The Company did not recognize deferred income tax liabilities for certain taxable temporary differences related to investments in subsidiaries. As of December 31, 2025 and 2024, the temporary differences for unrecognized deferred income tax liabilities were $5,021,534 and $4,998,589, respectively.

e. The Company’s profit-seeking enterprise income tax has been assessed by the tax authority through 2023.

(30) Earnings per share

	Year 2025		
	After-tax amount	Weighted average number of shares outstanding (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to common shareholders of the parent	$ 115,439	129,463	$ 0.89
Diluted earnings per share			
Net income attributable to common shareholders of the parent	$ 115,439	129,463	
Effect of potentially dilutive ordinary shares			
- Employee compensation	-	72	
- Convertible corporate bonds (Note)	-	-	
Net income attributable to common shareholders of the parent plus the effect of potential ordinary shares	$ 115,439	129,535	$ 0.89

Note: Convertible corporate bonds were anti-dilutive based on the calculation results and therefore were not included.

	Year 2024		
	After-tax amount	Weighted average number of shares outstanding (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to common shareholders of the parent	$ 77,429	129,463	$ 0.60
Diluted earnings per share			
Net income attributable to common shareholders of the parent	$ 77,429	129,463	
Effect of potentially dilutive ordinary shares			

- Employee compensation	-	85	
Net income attributable to common shareholders of the parent plus the effect of potential ordinary shares	$ 77,429	129,548	$ 0.60

(31) Supplemental cash flow information

Investing activities with only partial cash payments:

	Year 2025	Year 2024
Acquisition of property, plant and equipment	$ 194,191	$ 175,876
Add: Beginning balance of equipment payable	-	-
Less: Ending balance of equipment payable	(19,095)	-
Cash paid during the period	$ 175,096	$ 175,876

(32) Changes in liabilities arising from financing activities

2025

	Short-term loans	Payable Short-term bills	Payable Corporate bonds	Long-term loans	Received Guarantee deposits	Lease liabilities	From Financing Activities Total liabilities
January 1	$ 1,860,000	$ 80,000	$ -	$ 1,177,275	$ 650	$ 302,201	$ 3,420,126
Additions for the current period	-	-	-	-	-	1,015	1,015
Changes in financing cash flows	(650,000)	(80,000)	350,000	274,683	(87)	(10,946)	(116,350)
Other non-cash changes	-	-	(27,192)	-	-	-	(27,192)
Effect of changes in exchange rates	-	-	-	2,864	-	90	2,954
Interest expense	-	-	351	-	-	4,148	4,499
December 31	$ 1,210,000	$ -	$ 323,159	$ 1,454,822	$ 563	$ 296,508	$ 3,285,052

2024

	Short-term loans	Payable Short-term bills	Payable Corporate bonds	Long-term loans	Received Guarantee deposits	Lease liabilities	From Financing Activities Total liabilities
January 1	$1,715,000	$ -	$ -	$1,151,485	$ 628	$ 307,057	$3,174,170
Additions for the current period	-	-	-	-	-	801	801
Changes in financing cash flows	145,000	80,000	-	16,380	22	(10,985)	230,417
Effect of changes in exchange rates	-	-	-	9,410	-	1,048	10,458
Interest expense	-	-	-	-	-	4,280	4,280
December 31	$1,860,000	$ 80,000	$ -	$1,177,275	$ 650	$ 302,201	$3,420,126

7. Related Party Transactions

(1) Names and relationships of related parties

Related Party Name	Relationship with the Group
Chinsan Tai-An Co., Ltd.	The chairman of that company is the same person as the Company's chairman

(2) Significant transactions with related parties

a. Guarantee deposits paid

	December 31, 2025	December 31, 2024
Chinsan Tai-An Co., Ltd.	$ 1,400	$ 1,400

b. Lease Transactions – Lessee

(i) The Group leases buildings from other related parties. The lease term is 50 years and rent is paid monthly.

(ii) Lease liabilities

A. Ending balance:

	December 31, 2025	December 31, 2024
Chinsan Tai-An Co., Ltd.	$ 265,465	$ 271,180

B.Interest expense:

	Year 2025	Year 2024
Chinsan Tai-An Co., Ltd.	$ 2,686	$ 2,743

(3) Compensation information for key management

	Year 2025	Year 2024
Short-term employee benefits	$ 16,690	$ 15,315
Post-employment benefits	394	319
Total	$ 17,084	$ 15,634

8. Pledged Assets

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

	Carrying value		
Asset Item	December 31, 2025	December 31, 2024	Purpose of collateral
Property, plant and equipment	$ 1,513,700	$ 1,472,585	Collateral for comprehensive borrowings and facilities, and acceptances
Financial assets measured at amortized cost	330,460	489,604	Collateral for short-term borrowings and acceptances
	$ 1,844,160	$ 1,962,189	

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

As of December 31, 2025, the Group had contracted capital expenditures not yet paid amounting to $116,837.

10. Significant Losses from Disasters

On January 5, 2023, a fire occurred on the third floor of the first factory of the Company's subsidiary Chinsan Thailand Co., damaging certain inventories, plant, and production equipment. The estimated losses were fully recognized in other gains and losses in 2023. The Company had relevant property insurance coverage, and insurance claim and disaster appraisals have been completed. On February 4, 2025, the Company received insurance claim proceeds of $14,795, which were recorded as other income.

11. Material Subsequent Events

a. On March 27, 2026, the Company's Board of Directors proposed the following distribution of earnings for 2025:

	Year 2025	
	Amount	Dividends per share (NT$)
Appropriation of Legal Reserve	$ 11,194	
Appropriation of Special Reserve	52,655	
Cash dividends	51,785	$ 0.40

In addition, the Company's Board of Directors resolved on March 27, 2026 to distribute cash of $103,570 thousand from capital surplus (NT$0.8 per share).

b. On January 22, 2026, the Board of Directors of the Company's subsidiary, King Nichi - 9 - Technology Guangzhou Co., Ltd, approved the handling of matters related to the building located at No. 704, Guangshan 1st Road, Tianhe District, Guangzhou, with a building area of 15,596 square meters. In response to the preliminary land expropriation announcement of the Tianhe District People's Government of Guangzhou (Sui Tian Fu Yu Zheng [2025] No. 5), the subsidiary negotiated expropriation matters with the local government and the Kemu Lang Shareholding Cooperative Economic Association of Fenghuang Street, Tianhe District, Guangzhou, and entered into a demolition compensation agreement with such association on February 6, 2026. The compensation amounted to NT$329,394 thousand (RMB 73,252 thousand).

12. Other

(1) Capital management

The Group's capital management objective is to safeguard the Group's ability to continue as a going concern, maintain an optimal capital structure to reduce the cost of capital, and provide returns to shareholders. To maintain or adjust the capital structure, the Group may adjust dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Group monitors capital using the debt-to-capital ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings reported in the consolidated balance sheets) less cash and cash equivalents. Total capital is calculated as equity reported in the consolidated balance sheets plus net debt.

The Group's strategy for 2025 was the same as that for 2024 and was determined after comprehensive consideration of the Company's environment, stage of growth, funding requirements for major future investment plans, and long-term financial planning.

As of December 31, 2025 and 2024, the Group's debt-to-capital ratios were as follows:

	December 31, 2025	December 31, 2024
Total borrowings	$ 2,987,981	$ 3,117,275
Less: Cash and cash equivalents	(1,622,939)	(1,675,599)
Net debt	1,365,042	1,441,676
Total equity	4,036,881	4,138,935

	December 31, 2025	December 31, 2024
Total capital	$ 5,401,923	$ 5,580,611
Debt-to-capital ratio	25.27%	25.83%

(2) Financial Instruments

a. Categories of financial instruments

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 599,383	$ 865,902
Financial assets measured at fair value through other comprehensive income		
Equity instrument investments designated by election	174,032	172,512
Financial assets measured at amortized cost		
Cash and cash equivalents	1,622,939	1,675,599
Financial assets measured at amortized cost	330,460	489,604
Notes Receivable	940	1,500
Accounts Receivable	1,545,300	1,362,497
Other receivables	47,749	25,417
Guarantee deposits paid	2,230	2,150
	$ 4,323,033	$ 4,595,181
Financial liabilities		
Financial liabilities measured at fair value through profit or loss		
Financial liabilities designated as measured at fair value through profit or loss	$ 1,120	$ -
Financial liabilities measured at amortized cost		
Short-term loans	1,210,000	1,860,000
Short-term notes payable	-	80,000
Notes payable	544,078	566,255
Accounts payable	736,494	553,866
Other payables	185,918	133,613
Corporate bonds payable	323,159	-
Long-term loans (including due within one year or one operating cycle)	1,454,822	1,177,275
Guarantee deposits received	563	650
	$ 4,456,154	$ 4,371,659
Lease liabilities	$ 296,508	$ 302,201

b. Risk management policies

(i) The Group's daily operations are affected by multiple financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.

(ii) Risk management is carried out by the Group's finance department in accordance with policies approved by the Board of Directors. The Group's finance department works closely with operating units within the Group to identify, assess, and avoid financial risks. The Board of Directors has established written principles for overall risk management and written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus liquidity.

c. Nature and extent of significant financial risks

(i) Market risk

Exchange rate risk

A. The Group operates internationally and is therefore exposed to exchange rate risk arising from transactions denominated in currencies different from the functional currencies of the Company and its subsidiaries, mainly U.S. dollars, Hong Kong dollars, and Renminbi. The related exchange rate risk arises from recognized assets and liabilities.

B. The Group holds certain investments in foreign operations, and their net assets are exposed to foreign currency translation risk. The exchange rate risk arises from the net assets of the Group's foreign operations.

C. The Group's operations involve certain non-functional currencies (the functional currency of the Company is the New Taiwan dollar, and the functional currencies of certain subsidiaries are the U.S. dollar, Renminbi and Thai baht). Accordingly, the Group is affected by exchange rate fluctuations. Information on foreign currency assets and liabilities significantly affected by exchange rate fluctuations is as follows:

	December 31, 2025		
	Foreign currency (thousands)	Exchange rate	Carrying Amount (New Taiwan dollars)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 77,066	31.430	$ 2,422,184
EUR:NTD	2,938	36.900	108,412
JPY:NTD	12,258	0.201	2,464
USD:RMB	34,694	6.991	1,090,502
USD:THB	4,764	31.370	149,747
RMB:USD	2,162	0.143	9,716
USD:HKD	11,214	7.784	352,478
RMB:HKD	11,795	1.113	53,007
Non-monetary items			
RMB:HKD	480,194	1.113	2,157,992
RMB:USD	63,306	0.143	284,498
THB:NTD	916,406	1.002	918,239
USD:NTD	60,763	31.430	1,910,949
HKD:NTD	591,343	4.038	2,387,845

HKD:USD	43,219	0.128	173,870
KHR:USD	7,609,375	0.00025	60,875

	December 31, 2025		
	Foreign currency (thousands)	Exchange rate	Carrying Amount (New Taiwan dollars)
(Foreign currency: functional currency)			
Financial liabilities			
Monetary items			
USD:NTD	79,428	31.430	2,496,422
USD:THB	28,420	31.370	893,326
USD:RMB	1,144	6.991	35,958

	December 31, 2024		
	Foreign currency (thousands)	Exchange rate	Carrying Amount (New Taiwan dollars)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 71,815	32.785	$ 2,354,455
EUR:NTD	3,000	34.140	102,420
JPY:NTD	116,744	0.210	24,516
USD:RMB	26,599	7.321	871,995
USD:THB	243	34.069	7,964
RMB:USD	2,162	0.137	9,712
USD:HKD	9,264	7.765	303,711
RMB:HKD	20,266	1.061	90,792
Non-monetary items			
RMB:HKD	462,098	1.061	2,070,197
RMB:USD	59,728	0.137	268,300
THB:NTD	965,886	0.962	929,182
USD:NTD	73,290	32.785	2,402,803
HKD:NTD	543,866	4.222	2,296,201
HKD:USD	40,033	0.129	169,299
KHR:USD	5,170,625	0.00025	41,365
Financial liabilities			
Monetary items			
USD:NTD	$ 70,727	32.785	$ 2,318,785
USD:THB	7,510	34.069	246,133
USD:RMB	1,234	7.321	40,454

D. The aggregate amounts of exchange (losses) gains recognized by the Group for monetary items significantly affected by exchange rate fluctuations, including realized and unrealized amounts, were $9,466 and $33,200 for 2025 and 2024, respectively.

E. Analysis of the Group's foreign currency market risk due to significant exchange rate fluctuations is as follows:

	Year 2025			
		Sensitivity analysis		
	Change range	Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	1%	$	19,377	$ -
EUR:NTD	1%		867	-
JPY:NTD	1%		20	-
USD:RMB	1%		8,724	-
USD:THB	1%		1,198	-
RMB:USD	1%		78	-
USD:HKD	1%		2,820	-
RMB:HKD	1%		424	-
Financial liabilities				
Monetary items				
USD:NTD	1%	$	19,971	$ -
USD:THB	1%		7,147	-
USD:RMB	1%		288	-

	Year 2024			
		Sensitivity analysis		
	Change range	Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	1%	$	18,658	$ -
EUR:NTD	1%		819	-
JPY:NTD	1%		196	-
USD:RMB	1%		6,976	-
USD:THB	1%		64	-
RMB:USD	1%		78	-
USD:HKD	1%		2,430	-
RMB:HKD	1%		726	-

	Year 2024		
	Sensitivity analysis		
	Change range	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 18,157	$ -
USD:THB	1%	1,051	-
USD:RMB	1%	324	-

Price risk

A. The financial instruments exposed to price risk by the Group are financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income held by the Group. To manage price risk of investments in financial instruments, the Group diversifies its investment portfolio based on limits established by the Group.

B. The Group primarily invests in listed, OTC, and emerging equity instruments and beneficiary certificates in Taiwan and overseas. The prices of these financial instruments are affected by uncertainty in the future value of the investments. If the prices of such financial instruments increased or decreased by 5% while all other factors remained unchanged, profit before tax for 2025 and 2024 would increase or decrease by $8,768 and $20,330, respectively, due to gains or losses on investments measured at fair value through profit or loss.

Cash flow and fair value interest rate risk

A. The Group’s interest rate risk arises from short-term borrowings and long-term borrowings. Borrowings issued at floating interest rates expose the Group to cash flow interest rate risk, which is partially offset by cash and cash equivalents held at floating interest rates. In 2025 and 2024, the Group’s floating-rate borrowings were denominated in New Taiwan dollars and Thai baht.

B. If interest rates on New Taiwan dollar and Thai baht borrowings increased or decreased by 0.1%, while all other factors remained unchanged, profit before tax for 2025 and 2024 would decrease or increase by $2,665 and $3,117, respectively, mainly due to changes in interest expense resulting from floating-rate borrowings.

(ii) Credit risk

A. The Group's credit risk is the risk of financial loss arising from customers or counterparties to financial instruments failing to fulfill contractual obligations. It mainly arises from counterparties' inability to settle accounts receivable according to payment terms and the contractual cash flows of financial assets measured at amortized cost.

B. The Group manages credit risk from a Group perspective. For banks and financial institutions, only institutions with good credit ratings are accepted as counterparties. Under the Group's internal credit policy, each operating entity evaluates and analyzes management and credit risk for each new customer before establishing payment and delivery terms. Internal risk controls assess customer credit quality by considering financial condition, past experience, and other factors. Individual risk limits are set by the Board of Directors based on internal or external ratings, and credit utilization is monitored regularly.

C. The Group applies the rebuttable presumption in IFRS 9 that a default has occurred when contractual payments are more than 90 days past due under the agreed payment terms.

D. The Group applies the following rebuttable presumptions under IFRS 9 as the basis for determining whether the credit risk of financial instruments has increased significantly since initial recognition:

When contractual payments are more than 30 days past due under the agreed payment terms, the credit risk of the financial asset is deemed to have increased significantly since initial recognition.

E. The Group groups accounts receivable from customers based on customer rating characteristics and applies the simplified approach using a provision matrix and loss rates to estimate expected credit losses.

F. After collection procedures, the Group writes off amounts of financial assets that cannot reasonably be expected to be recovered. However, the Group continues legal collection procedures to preserve its creditor rights.

G. The indicators used by the Group to determine credit impairment of investments in debt instruments are as follows:

(A) The issuer experiences significant financial difficulty or the likelihood of bankruptcy or other financial reorganization increases significantly;

(B) The issuer delays or fails to pay interest or principal;

(C) Adverse changes in national or regional economic conditions related to issuer default.

H. The Group adjusts loss rates established based on historical and current information for specific periods with forward-looking considerations to estimate allowances for notes receivable and accounts receivable. The provision matrix as of December 31, 2025 and 2024 was as follows:

		December 31, 2025	
Notes and accounts receivable	Expected loss rate	Gross carrying amount	Allowance for losses
Not past due	0.0046%	$ 1,529,622	$ 71
Past due			
Within 30 days	0.016%	12,706	2
31–90 days	0.050%	3,987	2
91-180 days	100%	770	770
		$ 1,547,085	$ 845

		December 31, 2024	
Notes and accounts receivable	Expected loss rate	Gross carrying amount	Allowance for losses
Not past due	0.0006%	$ 1,331,684	$ 75
Past due			
Within 30 days	0.03%	28,026	7
31–90 days	0.06%~0.25%	4,380	11
91-180 days	0.32%~100%	739	739
		$ 1,364,829	$ 832

I. The movement schedule of allowances for notes and accounts receivable under the simplified approach is as follows:

	2025	2024
	Notes receivable and Accounts Receivable	Notes receivable and Accounts Receivable
January 1	$ 832	$ 785
Impairment reversal gains	(166)	(1)
Other	148	-
Effect of exchange rate changes	31	48
December 31	$ 845	$ 832

(iii) Liquidity risk

A. Cash flow forecasts are prepared by the operating entities within the Group and aggregated by the Group’s finance department. The Group’s finance department monitors forecasts of the Group’s liquidity requirements to ensure that sufficient funds are available to meet operating needs, and maintains adequate unused borrowing commitments at all times, together with cash and cash equivalents, highly liquid marketable securities, and sufficient bank financing facilities, to ensure that the Group has adequate financial flexibility.

B. Details of the Group's unused borrowing facilities are as follows:

	December 31, 2025	December 31, 2024
Floating interest rate		
Due within one year	$ 829,233	$ 786,529
Due after one year	612,084	484,134
	$ 1,441,317	$ 1,270,663

C. The table below groups the Group's non-derivative financial liabilities by relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the table are undiscounted amounts.

Non-derivative financial liabilities:					
December 31, 2025	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term loans	$ 1,210,000	$ -	$ -	$ -	$ 1,210,000
Financial liabilities measured at fair value through profit or loss	-	-	1,120	-	1,120
Notes payable	544,078	-	-	-	544,078
Accounts payable	736,494	-	-	-	736,494
Other payables	185,918	-	-	-	185,918
Lease liabilities (including current and non-current)	11,023	10,841	31,943	314,336	368,143
Corporate bonds payable	-	-	323,159	-	323,159
Long-term borrowings (including current portion due within one year)	66,895	1,387,927	-	-	1,454,822

Non-derivative financial liabilities:					
December 31, 2024	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term loans	$ 1,860,000	$ -	$ -	$ -	$ 1,860,000
Short-term notes payable	80,000	-	-	-	80,000
Notes payable	566,255	-	-	-	566,255
Accounts payable	553,866	-	-	-	553,866
Other payables	133,613	-	-	-	133,613
Lease liabilities (including current and non-current)	10,809	10,512	31,702	324,901	377,924
Long-term borrowings (including current portion due within one year)	314,205	824,205	38,865	-	1,177,275

(3) Fair Value Information

a. The levels of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date. An active market is a market in which transactions for assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. This level includes the fair values of the Group's investments in listed and OTC stocks and beneficiary certificates.

Level 2: Directly or indirectly observable inputs for assets or liabilities, except for quoted prices included in Level 1.

Level 3: Unobservable inputs for assets or liabilities. The Group's investments in equity instruments and beneficiary certificates without active markets are classified as Level 3.

b. For fair value information on investment properties measured at cost, please refer to Note 6(10).

c. For financial instruments not measured at fair value, including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, short-term notes payable, accounts payable, other payables, lease liabilities, corporate bonds payable and long-term borrowings, their carrying amounts are reasonable approximations of fair value.

d. For financial instruments measured at fair value, the Group classifies them by the nature, characteristics, risks, and fair value hierarchy of assets and liabilities. The related information is as follows:

(i) The Group classifies assets and liabilities by nature as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets measured at fair value through profit or loss -				
Shares of listed, OTC, and emerging stock companies	$ 159,573	$ -	$ -	$ 159,573
Beneficiary Certificates	13,467	-	15,283	28,750
Debt securities	2,343	-	-	2,343
Shares of unlisted, none-OTC, and none-emerging stock companies	-	-	408,717	408,717
Financial assets measured at fair value through other comprehensive income -				

Shares of unlisted, none-OTC, and none-emerging stock companies	-	-	174,032	174,032
Total	$ 175,383	$ -	$ 598,032	$ 773,415

Liabilities				
Recurring fair value				
Financial liabilities measured at fair value through profit or loss -				
Derivative instruments	$ -	$ 1,120	$ -	$ 1,120

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets measured at fair value through profit or loss -				
Shares of listed, OTC, and emerging stock companies	$ 342,248	$ -	$ -	$ 342,248
Beneficiary Certificates	61,909	-	19,842	81,751
Debt securities	2,438	-	-	2,438
Shares of unlisted, none-OTC, and none-emerging stock companies	-	-	439,465	439,465
Financial assets measured at fair value through other comprehensive income -				
Shares of unlisted, none-OTC, and none-emerging stock companies	-	-	172,512	172,512
Total	$ 406,595	$ -	$ 631,819	$ 1,038,414

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

A. The financial instruments for which the Group uses market quotations as fair value inputs (Level 1) are classified by instrument characteristics as follows:

	Listed and OTC company shares and emerging stock company shares	Beneficiary Certificates	Convertible corporate bonds
Market quotation	Closing price	Net carrying amount	Closing price

B. Except for the financial instruments with active markets described above, the fair values of other financial instruments are obtained using valuation techniques or by reference to counterparty quotations. Fair values obtained through valuation techniques may be determined by reference to the current fair value of other financial instruments with substantially similar terms and characteristics, discounted cash flow methods, or other valuation techniques, including model calculations using market information available as of the consolidated balance sheet date.

C. Outputs from valuation models are estimated approximations, and valuation techniques may not reflect all relevant factors for financial and non-financial instruments held by the Group. Accordingly, valuation model estimates are adjusted as appropriate for additional parameters, such as model risk or liquidity risk. Based on the Group’s fair value valuation model management policies and related control procedures, management believes that valuation adjustments are appropriate and necessary to fairly present the fair values of financial and non-financial instruments in the consolidated balance sheets. The price information and parameters used in the valuation process are carefully assessed and appropriately adjusted based on current market conditions.

D. The Group incorporates credit risk valuation adjustments into the fair value measurement of financial and non-financial instruments to reflect counterparty credit risk and the Group’s own credit quality, respectively.

e. There were no transfers between Level 1 and Level 2 in 2025 or 2024.

f. The table below presents the movements in Level 3 for 2025 and 2024:

	2025	2024
	Non-derivative equity instruments	Non-derivative equity instruments
January 1	$ 631,819	$ 632,108
Gains recognized in current profit or loss	(32,500)	(16,612)
Gains or losses recognized in other comprehensive income	723	11,662
Effect of exchange rate changes	814	5,309
Other	(2,824)	(648)
December 31	$ 598,032	$ 631,819

g. For the valuation process of fair values classified as Level 3, the Group’s finance department is responsible for independently verifying the fair values of financial instruments. It uses independent source data to align valuation results with market conditions, confirms that data sources are independent, reliable, consistent with other resources, and representative of executable prices, and regularly calibrates valuation models, updates inputs and data required for valuation models, and makes any other necessary fair value adjustments to ensure that valuation results are reasonable.

h. The quantitative information on significant unobservable inputs used in valuation models for Level 3 fair value measurements and the sensitivity analysis of changes in significant unobservable inputs are described as follows:

	December 31, 2025 Fair value	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted and non-OTC company shares	$ 175,176	Comparable listed and OTC company method	Discount for lack of marketability	33%	The higher the discount for lack of marketability, the lower the fair value
Unlisted and non-OTC company shares	407,573	Discounted cash flow method	Long-term revenue growth rate	2%	The higher the long-term revenue growth rate, the higher the fair value
			Discount for lack of marketability	20.5%	The higher the discount for lack of marketability, the lower the fair value
			Minority interest discount	18.75%	The higher the minority interest discount, the lower the fair value
Private fund investments	15,283	Net asset value method	Not applicable		Not applicable

	December 31, 2024 Fair value	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted and non-OTC company shares	$ 172,922	Comparable listed and OTC company method	Discount for lack of marketability	25~33%	The higher the discount for lack of marketability, the lower the fair value
Unlisted and non-OTC company shares	439,055	Discounted cash flow method	Long-term revenue growth rate	2%	The higher the long-term revenue growth rate, the higher the fair value
			Discount for lack of marketability	20.5%	The higher the discount for lack of marketability, the lower the fair value
			Minority interest discount	23.3%	The higher the minority interest discount, the lower the fair value
Private fund investments	19,842	Net asset value method	Not applicable		Not applicable

i. The Group carefully evaluates and selects valuation models and valuation parameters; accordingly, the fair value measurements are considered reasonable. However, using different valuation models or valuation parameters may result in different valuation results. For financial assets classified as Level 3, if valuation parameters changed, the effects on current profit or loss or other comprehensive income would be as follows:

			December 31, 2025			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Inputs	Changes	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity Instruments	Discount for lack of marketability	± 1%	$ 4,087	($ 4,087)	$ 1,740	($ 1,740)
	Long-term revenue growth rate	± 1%	$ 39,241	($ 26,666)	$ -	$ -

			December 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Inputs	Changes	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity Instruments	Discount for lack of marketability	± 1%	$ 4,395	($ 4,395)	$ 1,725	($ 1,725)
	Long-term revenue growth rate	± 1%	$ 63,143	($ 47,357)	$ -	$ -

13. Notes to the Financial Statements

(1) Information on Significant Transactions

a. Financing provided to others: Please refer to Table 1.

b. Endorsements/guarantees provided for others: Please refer to Table 2.

c. Significant securities held at period-end, excluding investments in subsidiaries, associates, and joint ventures: Please refer to Table 3.

d. Purchases from and sales to related parties amounting to NT$100 million or more or 20% or more of paid-in capital: Please refer to Table 4.

e. Receivables from related parties amounting to NT$100 million or more or 20% or more of paid-in capital: Please refer to Table 5.

f. Business relationships and significant transactions between the parent and subsidiaries: Please refer to Table 6.

(2) Information on investees

Information on investees, locations, etc. (excluding investees in Mainland China): Please refer to Table 7.

(3) Information on Investments in Mainland China

a. Basic information: Please refer to Table 8.

b. Significant transactions conducted directly or indirectly by the Company through third-region entities with investees in Mainland China: Please refer to Table 6; no other such circumstances exist.

14. Segment Information

(1) General Information

a. The Group’s management has identified reportable segments based on the reporting information used by the chief operating decision maker in making decisions.

b. The Group’s only reportable operating segment is the electronic components segment. The electronic components segment is principally engaged in the manufacturing, processing, purchase, sale, import and export of various electronic equipment and capacitors. The Group has a single operating segment and has no other operating segments that do not meet the quantitative thresholds.

c. There were no significant changes in the Group’s corporate composition, basis for segment classification, or measurement basis for segment information during the period.

d. The Group operates in a single industry, and the Board of Directors evaluates performance and allocates resources for the Group as a whole. The Group has therefore identified one reportable segment.

(2) Information on segment profit or loss, assets and liabilities

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

	Year 2025	Year 2024
	Electronic components	Electronic components
External revenue	$ 3,765,883	$ 3,430,181
Segment profit or loss	$ 192,941	$ 140,167
Segment profit or loss includes:		
Depreciation and amortization	$ 215,765	($ 209,124)
Income tax expense	($ 52,571)	($ 59,108)
Investment income or loss recognized under the equity method	($ 15,345)	($ 16,631)

(3) Information by product and service

Revenue from external customers is mainly derived from the manufacturing and trading of electrolytic capacitors. For the composition of the Group's net operating revenue for 2025 and 2024, please refer to Note 6(21).

(4) Geographical Information

Geographical information of the Group for 2025 and 2024 is as follows:

	Year 2025		Year 2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Domestic	$ 194,443	$ 329,489	$ 104,017	$ 336,044
Asia	3,315,342	2,724,843	2,978,371	2,538,087
Europe	78,251	-	107,321	-
America	136,879	-	79,769	-
Middle East and Near East	40,644	-	160,077	-
Africa	324	-	626	-
Total	$ 3,765,883	$ 3,054,332	$ 3,430,181	$ 2,874,131

(5) Information on Major Customers

Information on major customers of the Group for 2025 and 2024 is as follows:

	Year 2025	Year 2024
	Revenue	Revenue
Company A	$ 929,256	$ 600,702
Company B	510,716	482,432
Other (Note)	2,325,911	2,347,047
	$ 3,765,883	$ 3,430,181

Note: Others represent sales to individual customers that did not reach 10% of consolidated operating revenue.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Lending of Funds to Others
For the period from January 1, 2025 to December 31, 2025

Schedule 1

Unit: Thousands of New Taiwan Dollars (NT$)
(Unless otherwise stated)

Number (Note 1)	Lending Company	Borrower	Account Title	Whether the Borrower is a Related Party	Highest balance for the period	Ending Balance	Actual Amount Disbursed	Interest Rate Range	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing Need	Allowance for Losses	Collateral Name	Collateral Value	Limit on Loans to a Single Borrower (Note 2)	Total Limit on Loans to Others (Note 3)
1	Chinsan (BVI) Enterprise Co., Ltd.	Taiwan Chinsan Electronic Industrial Co., Ltd.	Other Receivables	Yes	$ 214,090	$ 190,145	$ 190,145	-	Short-term financing	$ -	Short-term Operating Funding Requirements	$ -	None	$ -	$ 182,129	$ 364,258
2	CHINSAN (CAYMAN) ENTERPRISE CO., LTD.	Chinsan Electronic Industrial (Thailand) Co., Ltd.	Other Receivables	Yes	518,595	518,595	518,595	2.2	Short-term financing	-	Short-term Operating Funding Requirements	-	None	-	576,832	2,307,326

Note 1: The numbering column is described as follows:
(1)The issuer is numbered 0.
(2)Investees are numbered sequentially from 1 by company.

Note 2: For lending between foreign companies in which the Company directly or indirectly holds 100% of voting shares, or lending by such foreign companies to the Company, the amount lent to a single enterprise shall not exceed 20% of the lending company's net worth in its most recent financial statements. Except for loans by CHINSAN (CAYMAN) to Chinsan Electronic Industrial (Thailand) Co., Ltd., which is not a company in which 100% of voting shares are held, the amount lent under CHINSAN (CAYMAN)'s regulations shall not exceed 10% of CHINSAN (CAYMAN)'s net worth in its most recent financial statements.

Note 3: The total amount of funds lent is 40% of net worth.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Endorsements and Guarantees for Others
For the period from January 1, 2025 to December 31, 2025

Schedule 2

Unit: Thousands of New Taiwan Dollars (NT$)
(Unless otherwise stated)

		Relationship												
No. (Note 1)	Name of Endorsing or Guaranteeing Company	Company Name	Relationship (Note 2)	Maximum Endorsement and Guarantee Limit per Single Enterprise (Note 3)	Maximum outstanding balance of endorsements and guarantees during the current period	Ending balance of endorsements and guarantees	Actual Amount Disbursed	Amount of endorsement guarantees collateralized by property	Percentage of accumulated endorsements and guarantees to net worth as disclosed in the most recent financial statements (%)	Maximum Limit of Endorsements and Guarantees (Note 3)	Endorsements and guarantees provided by the parent company to its subsidiaries	Endorsements and guarantees granted by subsidiaries on behalf of the parent company	Endorsements and Guarantees Provided to Mainland China	Notes
0	Taiwan Chinsan Electronic Industrial Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	2	$ 1,584,084	$ 521,536	$ 521,536	$ 138,990	$ -	13.17%	$ 1,980,105	Y	N	Y	
1	King-Tachi Technology Company Limited	Guangzhou Kingtachi Electronic Co., Ltd.	2	956,141	292,672	152,864	71,772	98,593	12.24%	1,195,176	Y	N	Y	

Note 1: The numbering column is described as follows:
(1)The issuer is numbered 0.
(2)Investees are numbered sequentially from 1 by company.

Note 2: The relationships between the endorsement/guarantee provider and the endorsed/guaranteed party are classified into the following seven categories:
(1) Companies with which the Company has business relationships.
(2) Companies in which the Company directly or indirectly holds more than 50% of voting shares.
(3) Companies that directly or indirectly hold more than 50% of the Company’s voting shares.
(4) Companies in which the Company directly or indirectly holds 90% or more of voting shares.
(5) Companies in the same industry or joint builders that provide mutual guarantees in accordance with contractual requirements for contracted construction projects.
(6) Companies for which all investing shareholders provide endorsements and guarantees in proportion to their shareholdings due to a joint investment relationship.
(7) Companies in the same industry that provide joint and several performance guarantees for pre-sale housing sales contracts in accordance with consumer protection laws and regulations.

Note 3: The Company’s Procedures for Endorsements and Guarantees provide that the total amount of external endorsements and guarantees by the Company shall not exceed 50% of net worth. The amount of endorsements and guarantees for a single entity shall not exceed 40% of the Company’s net worth for directly or indirectly held subsidiaries, and shall not exceed 20% of the Company’s net worth for other entities.
Net worth is based on the most recent financial statements audited and certified by certified public accountants.
The Procedures for Endorsements and Guarantees of the subsidiary, King-Tachi Technology Company Limited, provide that the total amount of external endorsements and guarantees shall not exceed 50% of net worth. The amount of endorsements and guarantees for a single entity shall not exceed 40% of net worth for directly or indirectly held subsidiaries, and shall not exceed 20% of net worth for other entities.
Net worth is based on the most recent financial statements audited and certified by certified public accountants.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries

Significant marketable securities held at period-end (excluding investments in subsidiaries, associates, and joint ventures that are controlled)

December 31, 2025

Schedule 3

Unit: Thousands of New Taiwan Dollars (NT$) (Unless otherwise stated)

Investee Companies		Types and Names of Securities	Relationship between the issuer of securities and the Company	Account Title	End of period Number of Shares (Units)	Carrying Amount	Shareholding Percentage	Fair Value	Notes
the Company	Stock	Taishin Financial Holding Co., Ltd.	Non-related Parties	Current financial assets measured at fair value through profit or loss	57,957	1,182	-	1,182	None
〃	Stock	Auras	Non-related Parties	〃	19,000	28,690	-	28,690	None
〃	Stock	Wiwynn	Non-related Parties	〃	4,000	17,940	-	17,940	None
〃	Stock	King Slide	Non-related Parties	〃	10,000	37,500	-	37,500	None
〃	Stock	Hong Jing	Non-related Parties	〃	3,000	10,275	-	10,275	None
〃	Stock	Hsu Feng	Non-related Parties	〃	10,000	1,142	-	1,142	None
〃	Bond	Sunplus Innovation Technology III	Non-related Parties	〃	25,000	2,343	-	2,343	None
〃	Fund	Nomura Private 2026 Developed Markets Dynamic Maturity Bond Fund	Non-related Parties	〃	30,000	10,600	-	10,600	None
〃	Fund	00983A CTBC ARK Innovation Active ETF	Non-related Parties	〃	100,000	1,177	-	1,177	None
〃	Fund	00981A UPAMC Taiwan Growth Active ETF	Non-related Parties	〃	100,000	1,690	-	1,690	None
〃	Stock	Pinda Technology Co., Ltd.	Non-related Parties	Non-current financial assets measured at fair value through profit or loss	8,918,448	407,573	6.41%	407,573	None
〃	Stock	Beiley Biofund Venture Capital Co., Ltd.	Non-related Parties	〃	42,038	1,144	0.02%	1,144	None
〃	Stock	CeNtRa Science Corp.	Non-related Parties	Non-current assets measured at fair value through other comprehensive income	1,051,756	9,697	9.93%	9,697	None
Royal Cheng Investment Co., Ltd.	Stock	H-M Company	Non-related Parties	〃	1,000,597	10,006	5.88%	10,006	None
Chinsan (BVI) Enterprise Co., Ltd.	Stock	Grand Twins International（Cambodia）	Non-related Parties	Non-current financial assets measured at fair value through profit or loss	999,700	62,844	-	62,844	None
〃	Stock	ConneXionONE Corp.(OTC: CNNN)	Non-related Parties	Non-current assets measured at fair value through other comprehensive income	2,479,727	-	3.24%	-	None
Guangzhou Kingtachi Electronic Co., Ltd.	Fund	Ping An Consumer Technology Private Equity Fund II-8	Non-related Parties	Non-current financial assets measured at fair value through profit or loss	5,000,000	18,238	-	18,238	None
Guangzhou Heng Long Investment Co., Ltd.	Stock	Shihezi Zhongjin Electrode Foil Co., Ltd.	Non-related Parties	Non-current assets measured at fair value through other comprehensive income	24,000,000	154,329	6.37%	154,329	None

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Where purchase or sales transactions with related parties amount to NT$100 million or 20% or more of paid-in capital
For the period from January 1, 2025 to December 31, 2025

Schedule 4

Unit: Thousands of New Taiwan Dollars (NT$)
(Unless otherwise stated)

			Transaction Overview				Circumstances and Reasons for Deviations from Standard Transaction Terms (Note 1)		Accounts Receivable (Accounts Payable)			
Purchasing and Sales Entities	Name of Transaction Counterparty	Relationship with the Counterparty	Purchases and Sales	Amount	Proportion of Total Purchases (or Sales)	Credit Period	Unit Price	Credit Period	Account Balance		Proportion of Total Notes and Accounts Receivable and Payable	Notes
the Company	Chinsan (BVI) Enterprise Co., Ltd.	the Company's indirect subsidiary	Purchases	$ 1,810,777	66.78	Note 1	Note 1	Note 1	Accounts Payable	$ 1,711,999	69.82	Note 2
the Company	Eagle Zone Limited	the Company's indirect subsidiary	Purchases	815,249	30.06	〃	〃	〃	Accounts Payable	709,050	28.92	〃
Chinsan (BVI) Enterprise Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	Affiliated Enterprises	Purchases	1,798,200	94.00	〃	〃	〃	Accounts Payable	932,154	99.04	〃
Eagle Zone Limited	Chinsan Thailand Co.	Affiliated Enterprises	Purchases	721,275	83.00	〃	〃	〃	Accounts Payable	135,864	56.19	〃
King Nichi Technology Guangzhou Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	Affiliated Enterprises	Sales	489,330	89.61	〃	〃	〃	Accounts Receivable	340,016	95.58	〃
King Nichi Technology Guangzhou Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	Affiliated Enterprises	Purchases	531,370	100.00	〃	〃	〃	Accounts Payable	-	-	〃

Note 1: Transactions between the Company and its affiliates are determined in accordance with the Group's intercompany transaction policy. As there are no external transactions, comparability is difficult.
Note 2: This transaction was eliminated in the preparation of the consolidated financial statements.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Accounts receivable from related parties amounting to NT$100 million or more, or representing 20% or more of paid-in capital
For the period from January 1, 2025 to December 31, 2025

Schedule 5

Unit: Thousands of New Taiwan Dollars (NT$)
(Unless otherwise stated)

					Overdue amounts due from related parties			
Entities with recognized receivables	Counterparty Name	Relationship with the Counterparty	Balance of receivables due from related parties (Note 1)	Turnover Ratio	Amount	Processing Method	Subsequent collection of accounts receivable from related parties (Note 1)	Allowance for doubtful accounts
Chinsan (BVI) Enterprise Co., Ltd.	the Company	the Company’s indirect subsidiary	$ 1,521,854	0.20	$ -	-	$ 392,875	$ -
Chinsan (BVI) Enterprise Co., Ltd.	the Company	the Company’s indirect subsidiary	190,145	Not applicable (Note 2)	-	-	-	-
King Nichi Technology Guangzhou Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	Affiliated Enterprises	340,016	0.09	-	-	7,285	-
Guangzhou Kingtachi Electronic Co., Ltd.	Chinsan (BVI) Enterprise Co., Ltd.	Affiliated Enterprises	932,154	1.06	-	-	118,838	-
Eagle Zone Limited	the Company	the Company’s indirect subsidiary	709,050	2.40	-	-	78,575	-
Chinsan (Cayman) Enterprise Co., Ltd.	Chinsan Electronic Industrial (Thailand) Co., Ltd.	Affiliated Enterprises	518,595	Not applicable (Note 2)	-	-	-	-
Chinsan Electronic Industrial (Thailand) Co., Ltd.	the Company	the Company’s indirect subsidiary	20,677	-	-	-	-	-
Chinsan Electronic Industrial (Thailand) Co., Ltd.	Eagle Zone Limited	the Company’s indirect subsidiary	135,864	-	-	-	-	-

Note 1: Data are as of February 25, 2026.
Note 2: This represents financing provided.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Business relationships and significant transactions, including transaction amounts, between the parent company and its subsidiaries, as well as among the subsidiaries
For the period from January 1, 2025 to December 31, 2025

Schedule 6

Unit: Thousands of New Taiwan Dollars (NT$) (Unless otherwise stated)

				Transaction Activities			
No. (Note 1)	Name of Trader	Transaction Counterparties	Relationship with the counterparty (Note 2)	Account Title	Amount (NT$ Thousand)	Terms of Transaction	Proportion of total consolidated revenue or total consolidated assets (Note 3)
0	the Company	Chinsan (BVI) Enterprise Co., Ltd.	1	Sales	$ 45,826	Note 5	1.22%
0	the Company	Chinsan (BVI) Enterprise Co., Ltd.	1	Purchases	1,810,777	Note 5	48.08%
0	the Company	Chinsan (BVI) Enterprise Co., Ltd.	1	Accounts Payable	1,521,854	Note 6	17.04%
0	the Company	Chinsan (BVI) Enterprise Co., Ltd.	1	Accounts Payable	190,145	Note 7	2.13%
0	the Company	Eagle Zone Limited	1	Purchases	815,249	Note 5	21.65%
0	the Company	Eagle Zone Limited	1	Accounts Payable	709,050	Note 6	7.94%
1	Chinsan (BVI) Enterprise Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Sales	46,568	Note 5	1.24%
1	Chinsan (BVI) Enterprise Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Purchases	1,798,200	Note 5	47.75%
1	Chinsan (BVI) Enterprise Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Accounts Payable	932,154	Note 6	10.44%
1	Chinsan (BVI) Enterprise Co., Ltd.	King Nichi Technology Guangzhou Co., Ltd.	3	Purchases	56,738	Note 5	1.51%
2	Eagle Zone Limited	Guangzhou Kingtachi Electronic Co., Ltd.	3	Sales	107,981	Note 5	2.87%
2	Eagle Zone Limited	Guangzhou Kingtachi Electronic Co., Ltd.	3	Purchases	149,610	Note 5	3.97%
2	Eagle Zone Limited	Chinsan Electronic Industrial (Thailand) Co., Ltd.	3	Purchases	721,275	Note 5	19.15%
2	Eagle Zone Limited	Guangzhou Kingtachi Electronic Co., Ltd.	3	Accounts Receivable	23,604	Note 6	0.26%
2	Eagle Zone Limited	Chinsan Electronic Industrial (Thailand) Co., Ltd.	3	Accounts Payable	135,864	Note 6	1.52%
2	Eagle Zone Limited	Guangzhou Kingtachi Electronic Co., Ltd.	3	Accounts Payable	105,950	Note 6	1.19%
3	King-Tachi Technology Company Limited	Guangzhou Kingtachi Electronic Co., Ltd.	3	Other Receivables	52,985	Note 6	0.59%
4	King Nichi Technology Guangzhou Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Sales	489,330	Note 5	12.99%
4	King Nichi Technology Guangzhou Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Purchases	531,370	Note 5	14.11%
4	King Nichi Technology Guangzhou Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Accounts Receivable	340,016	Note 6	3.81%
5	Guangzhou Kingtachi Electronic Co., Ltd.	Guangzhou Youmao Electronics Co., Ltd.	3	Accounts Payable	43,824	Note 6	0.49%
5	Guangzhou Kingtachi Electronic Co., Ltd.	Guangzhou Youmao Electronics Co., Ltd.	3	Rental Income	61,049	Note 5	1.62%
5	Guangzhou Kingtachi Electronic Co., Ltd.	Guangzhou Youmao Electronics Co., Ltd.	3	Processing Costs	344,619	Note 5	9.15%
6	Chinsan (Cayman) Enterprise Co., Ltd.	Chinsan Electronic Industrial (Thailand) Co., Ltd.	3	Other Receivables	518,595	Note 7	16.69%
7	Chinsan Electronic Industrial (Thailand) Co., Ltd.	the Company	2	Accounts Receivable	20,677	Note 6	0.55%

Note 1: Information on business transactions between the parent company and subsidiaries should be separately noted in the numbering column. The numbering method is as follows:
1. Enter 0 for the parent company.
2. Subsidiaries are assigned sequential numbers by company, beginning with Arabic numeral 1.

Note 2: The relationship with the counterparty is classified into the following three categories; only the type needs to be indicated:
1. Parent Company and Subsidiary
2. Subsidiaries of the Parent Company.
3.subsidiary to subsidiary.

Note 3: For the calculation of the ratio of transaction amounts to total consolidated revenue or total consolidated assets, if the transaction pertains to asset or liability accounts, the ratio is calculated by dividing the ending balance by total consolidated assets. If the transaction pertains to income statement accounts, the ratio is calculated by dividing the cumulative amount for the period by total consolidated revenue.

Note 4: The Group discloses only significant transactions with amounts equal to or exceeding NT$10,000 thousand.

Note 5: Based on the Group’s pricing strategy.

Note 6: No comparable transactions of the same type are available; the terms and conditions are determined by mutual agreement.

Note 7: This represents financing provided.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Information on Investments in Subsidiaries – Names, locations, and other pertinent information of investee companies (excluding those located in Mainland China)
For the period from January 1, 2025 to December 31, 2025

Schedule 7

Unit: Thousands of New Taiwan Dollars (NT$)
(Unless otherwise stated)

Name of Investment Company	Name of Investee Company	Region	Principal Business Operations	Original Investment Amount (Note 1)		Opening balance Number of Shares (in Thousands)	Ending balance		Share of profit (loss) of investee companies accounted for using the equity method for the current period	Investment income (loss) recognized during the current period	Notes
				As of the end of the current reporting period	As of December 31 of the previous year		Ratio (%)	Carrying Amount			
the Company	Chinsan (Cayman) Enterprise Co., Ltd.	Cayman Islands	Aluminum capacitor trading and investment activities	$ 745,751 (USD 23,093)	$ 745,751 (USD 23,093)	9,797	100%	$ 5,767,285	$ 73,169	$ 73,984	Note 2
〃	Royal Cheng Investment Co., Ltd.	Taiwan	General Investment Operations	22,500	14,000	-	100%	19,699	(12)	(12)	None
〃	Yong Cheng Environmental Tech. Co.,Ltd	Taiwan	Waste Management Industry	245,159	245,159	3,794	5.60%	32,360	(266,498)	(15,345)	Note 6
Chinsan (Cayman) Enterprise Co., Ltd.	Chinsan Electronic Industrial (Thailand) Co., Ltd.	Bangkok, Thailand	Manufacture and sale of aluminum capacitors	676,102 (USD 21,583)	676,102 (USD 21,583)	7,089	94.52%	914,752	(26,721)	(22,017)	None
〃	Chinsan (BVI) Enterprise Co., Ltd.	BVI	Aluminum capacitor trading and investment activities	134,862 (USD 4,200)	134,862 (USD 4,200)	2,500	100%	880,288	12,255	833	Note 3
〃	Eagle Zone Limited	SAMOA	Aluminum capacitor trading and investment activities	297,199 (USD 10,000)	297,199 (USD 10,000)	1,000	100%	551,822	(22,591)	(22,591)	Note 4
〃	King-Tachi Technology Company Limited	Hong Kong	Aluminum capacitor trading and investment activities	1,883,822 (USD 60,407)	1,883,822 (USD 60,407)	6,200	100%	2,387,845	99,647	97,159	Note 5
〃	Spotlight Int'L Co., Ltd..	SAMOA	General Investment Operations	386,537 (USD 12,610)	386,537 (USD 12,610)	12,610	100%	468,179	14,457	14,457	None
Spotlight Int'L Co., Ltd.	Wealthy Success Enterprise Limited	Hong Kong	General Investment Operations	121,305 (USD 3,700)	121,305 (USD 3,700)	29,136	100%	173,867	(688)	(688)	None
Royal Cheng Investment Co., Ltd.	Wealthy Success Enterprise Limited	Taiwan	Basic Chemical Industry	8,500	-	850	85%	8,497	(4)	(3)	None

Note 1: The original investment amounts listed above are calculated based on historical exchange rates for the actual NT dollar amounts remitted.
Note 2: The cumulative cash capital increase has not yet been registered for changes in share capital and is recorded as advance receipts for share capital in the amount of NTD 309,591 thousand.
Note 3: The cumulative cash capital increase has not yet been registered for changes in share capital and is recorded as advance receipts for share capital in the amount of USD 1,700 thousand.
Note 4: The cumulative cash capital increase has not yet been registered for changes in share capital and is recorded as advance receipts for share capital in the amount of USD 9,000 thousand.
Note 5: The cumulative cash capital increase has not yet been registered for changes in share capital and is recorded as advance receipts for share capital in the amount of HKD 404,936 thousand.
Note 6: Sustainable Development Co., Ltd. passed a share-swap merger with its subsidiary, Yong Cheng Environmental Tech. Co.,Ltd., at its extraordinary shareholders' meeting on November 1, 2025. This was an organizational restructuring; Sustainable Development Co., Ltd. was the dissolved company, and the dissolution record date was December 11, 2025.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Mainland China Investment Information
For the period from January 1, 2025 to December 31, 2025

Schedule 8

Unit: Thousands of New Taiwan Dollars (NT$) (Unless otherwise stated)

Name of Investee in Mainland China	Principal Business Operations	Paid-in Capital	Investment Method	Cumulative amount of outbound investment from Taiwan as of the beginning of the current period	Investment amounts disposed of or recovered during the period: Export	Investment amounts disposed of or recovered during the period: Recover	Cumulative amount of investment remitted from Taiwan as of period-end	Profit or loss of investee entities for the current period	Percentage of shareholding in the Company's direct or indirect investments (%)	(Note 2)	Carrying amount of investments at the end of the period	Notes
King Nichi Technology Guangzhou Co., Ltd.	Aluminum Electrolytic Capacitors	$ 330,015 (USD 10,500,000)	Note 1(2)	$ 257,954 (USD 8,207,260)	$ -	$ -	$ 257,954 (USD 8,207,260)	$ 8,510	95.22%	$ 8,933	$ 419,411	Note 3、5、8
Guangzhou Kingtachi Electronic Co., Ltd.	Aluminum Electrolytic Capacitors	1,835,512 (USD 58,400,000)	Note 1(2)	-	-	-	-	96,754	100%	95,367	1,866,785	Note 3、5、6、8
Yong Cheng Environmental Tech. Co.,Ltd	General Investment Operations	107,904 (RMB24,000,000)	Note 1(2)	-	-	-	-	479	100%	479	156,294	Note 3、8
Guangzhou Youmao Electronics Co., Ltd.	Aluminum Electrolytic Capacitors	22,480 (RMB 5,000,000)	Note 1(3)	-	-	-	-	218	100%	218	22,169	Note 3、8
Shihezi Zhongjin Electrode Foil Co., Ltd.	Aluminum foil	1,694,992 (RMB377,000,000)	Note 1(2)	-	-	-	-	41,705	6.37%	-	154,328	Note 7

Note 1: Investment methods are classified into the following three types:
(1) Direct investment in Mainland China.
(2) Investment in Mainland China through a company in a third region.
(3) Other approaches.

Note 2: The ending carrying amount of investments discloses the investment income/loss and long-term equity investment balances recorded by the investing company.
Note 3: The amounts in the investment income/loss recognized for the period column are recognized based on financial statements audited by the certifying accountants of the Taiwan parent company.
Note 4: Calculated based on the period-end exchange rates of USD$1:NTD$31.430 and RMB$1:NTD$4.496.
Note 5: Because the Company's investments in King Nichi Technology Guangzhou Co., Ltd. and Guangzhou Kingtachi Electronic Co., Ltd.. were made by acquiring existing shares through an indirect investment in King-Tachi Technology Company Limited, the amounts of investment income/loss and valuation adjustments related to those investments cannot be separately identified. Only the amounts recorded by King-Tachi Technology Company Limited are presented; the carrying amount of investments, investment income/loss, and valuation are based on the relevant records of King-Tachi Technology Company Limited.
Note 6: King-Tachi Technology Company Limited and Spotlight Int'L Co., Ltd. hold 84.76% and 15.24%, respectively, of Guangzhou Kingtachi Electronic Co., Ltd..
Note 7: The non-current financial assets measured at fair value through other comprehensive income were remitted by Wealthy Success Enterprise Limited please refer to Note 11 for the related approval by the Investment Commission.
Note 8: This transaction was eliminated in the preparation of the consolidated financial statements.

Cumulative amount of funds remitted from Taiwan to Mainland China for investment as of period-end (Note 11)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (Note 11)	Investment limit in Mainland China as stipulated by the Investment Commission, MOEA (Note 9)
$ 257,954	$ 2,201,370	$ -

Note 9: In September 2024, the Company obtained a document issued by the Industrial Development Bureau, MOEA, confirming compliance with the Regulations Governing Recognition of Operational Headquarters. The valid period is from August 2024 to August 2027; therefore, the Company is not subject to the limitation.
Note 10: Calculated based on the period-end exchange rates of USD$1:NTD$31.430 and RMB$1:NTD$4.496.
Note 11: The Company's total investment in Mainland China amounted to USD 66,607,260 and RMB 24,000,000, of which USD 8,207,260 was remitted directly by the Company, USD 58,400,000 was remitted from earnings of the subsidiary Chinsan (Cayman) Enterprise Co., Ltd., and RMB 24,000,000 was remitted by Wealthy Success Enterprise Limited.