

**FIT HOLDING CO., LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024**

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
DECEMBER 31, 2025 AND 2024 CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
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FIT HOLDING CO., LTD.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2025, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

FIT Holding Co., Ltd.
Guo, Tai-Chiang, Chairman
March 30, 2026

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 25006056

To the Board of Directors and Shareholders of FIT Holding Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of FIT Holding Co., Ltd. and subsidiaries (the “Group”) as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its 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, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed 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 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. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2025 financial statements. 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. Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Recognition of construction revenue - assessment on the stage of completion

Description

Please refer to Note 4(32) for accounting policy on construction contracts; Note 5(2) for the uncertainty of critical judgement, accounting estimates and assumptions applied to construction contracts and Note 6(27) for details of contract assets, contract liabilities and construction revenue, which amounted to NT\$10,889,106 thousand, NT\$66,119 thousand and NT\$24,064,455 thousand, respectively, as of December 31, 2025 and for the year then ended. Since the unavoidable costs of fulfilling construction contracts exceed the economic benefits expected to be received, the provision for onerous contracts amounted to NT\$639,861 thousand. Please refer to Note 6(23) to the consolidated financial statements.

The Group's construction revenue and costs mainly arise from undertaking construction works. If the outcome of a construction contract can be estimated reliably, profit or loss should be recognised by reference to the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. The stage of completion of a construction contract is measured by the proportion of contract costs incurred for the construction performed as of the financial reporting date to the estimated total costs for the construction contract over time.

As the estimated total costs are assessed by the management based on the different nature of constructions and the price fluctuations in the market to estimate the costs for each construction activity such as estimated subcontract charges and material and labour expenses, and the complexity of aforementioned total cost usually involves subjective judgement and contains a high degree of uncertainty, which might affect the construction revenue recognition, we consider the assessment on the stage of completion which was applied on construction

revenue recognition as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding on the nature of business and industry, and assessed the reasonableness of internal process applied to estimate total construction cost, including the basis for estimating the expected total cost for construction contracts of the same nature.
- B. Assessed and tested the internal controls used by the management to recognise construction revenue based on the stage of completion, including checking the supporting documents of additional or reduced constructions and significant constructions performed in the period.
- C. Sampled and tested the subcontracts that have been assigned, and assessed the basis and reasonableness of estimating costs for those that have not been assigned.
- D. Performed substantive procedures relating to the construction profit or loss statement, including sampling and verifying the costs incurred in the period with the appropriate evidence, and recalculating and confirming that construction revenue calculated based on the stage of completion had been accounted for appropriately.

Valuation of goodwill impairment

Description

Please refer to Note 4(21) for accounting policies on impairment loss on non-financial assets, Note 5(2) for the uncertainty of accounting estimates and assumptions applied to goodwill impairment valuation, and Note 6(13) for details of intangible assets.

The amount of goodwill was generated from the acquisition of subsidiaries, Power Quotient International Co., Ltd. and Foxlink Image Technology Co., Ltd.. As of December 31, 2025, the cost of goodwill amounted to NT\$249,763 thousand and NT\$611,760 thousand, respectively. The Group valued the impairment of goodwill through the discounted cash flow method which measures the cash generating unit's recoverable amount. As the assumptions of expected future cash flows involved subjective judgement and a high degree of uncertainty

which would cause a material impact on the valuation result, the valuation of goodwill impairment was identified as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding and assessed the reasonableness of valuation of goodwill impairment policies and procedures.
- B. Obtained the external appraisal report on impairment valuation and examined the external appraiser's qualification and assessed the independence, competence and objectiveness.
- C. Assessed that the valuation model used in the appraisal report was widely used and appropriate.
- D. Assessed the reasonableness of significant assumptions (including expected growth rate and discount rate) applied in the appraisal report.

Valuation of property, plant and equipment impairment

Description

Please refer to Note 4(21) for accounting policies on impairment loss on non-financial assets, Note 5(2) for the uncertainty of accounting estimates and assumptions applied to property, plant and equipment impairment valuation, and Note 6(9) for details of property, plant and equipment.

As the 3C components' life cycles are relatively short and the market is highly competitive, there is a high risk of property, plant and equipment incurring an impairment loss. The Company's subsidiaries valued the impairment of the cash generating unit's property, plant and equipment which had an indication of impairment. We mainly relied on the external appraisal report. As the external appraisal report on impairment valuation involved subjective judgement and a high degree of uncertainty which would cause a material impact on the valuation result, the valuation of property, plant and equipment impairment was identified as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding and assessed the reasonableness of valuation of property, plant and equipment impairment policies and procedures.
- B. Examined the external appraiser's qualification and assessed the independence, competence and objectiveness.
- C. Verified whether the list of properties for the external appraiser is correct.
- D. Assessed that the valuation method used in the appraisal report was appropriate.
- E. Tested the external appraisal report's valuation basis adequacy.

Other matter - Reference to the reports of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates and the information disclosed in Note 13, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$698,933 thousand, constituting 1.04% of the consolidated total assets as at December 31, 2024, and the share of loss of associates and joint ventures accounted for under the equity method amounted to NT\$18,676 thousand, constituting 0.63% of the consolidated total comprehensive income for the year then ended.

Other matter-Parent company only financial statements

We have audited and expressed an unmodified opinion with an other matters section on the parent company only financial statements of FIT Holding Co., Ltd. as at and for the years ended December 31, 2025 and 2024.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's 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 is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, 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 or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Chou, Hsiao-Tzu

Lin, Kuan-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 30, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 7,746,562	13	\$ 7,928,276	12
1110	Financial assets at fair value through profit or loss - current	6(2)(19)	739	-	4,074	-
1136	Current financial assets at amortised cost	6(4) and 8	6,299,247	10	7,665,651	12
1140	Current contract assets	6(27) and 7	10,892,561	18	8,906,886	13
1150	Notes receivable, net	6(5)	26,630	-	13,019	-
1170	Accounts receivable, net	6(5)(11)	1,541,903	2	1,620,160	2
1180	Accounts receivable - related parties	7	54,669	-	238,296	-
1200	Other receivables	7	735,205	1	33,041	-
1220	Current tax assets		21,533	-	17,168	-
130X	Inventories	6(6)	1,063,176	2	1,321,180	2
1410	Prepayments	6(7)	1,882,062	3	12,660,014	19
1470	Other current assets	8	138,531	-	1,008,295	2
11XX	Current Assets		30,402,818	49	41,416,060	62
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	2,841,182	5	4,476,446	7
1535	Non-current financial assets at amortised cost	6(4) and 8	1,144,467	2	601,970	1
1550	Investments accounted for using equity method	6(8)	2,433,099	4	2,089,747	3
1600	Property, plant and equipment	6(9) and 8	19,888,736	32	13,110,787	19
1755	Right-of-use assets	6(10) and 7	1,195,144	2	2,220,762	3
1760	Investment property, net	6(12) and 8	378,045	1	493,524	1
1780	Intangible assets	6(13)	1,525,878	2	1,094,269	2
1840	Deferred income tax assets	6(21)(33)	553,039	1	451,933	1
1915	Prepayments for business facilities		649,139	1	359,372	-
1990	Other non-current assets, others	6(11)(15)(21) and 8	877,337	1	624,591	1
15XX	Non-current assets		31,486,066	51	25,523,401	38
1XXX	Total assets		\$ 61,888,884	100	\$ 66,939,461	100

(Continued)

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(16)	\$ 12,133,297	20	\$ 5,435,677	8
2110	Short-term notes and bills payable	6(17)	4,912,426	8	4,516,472	7
2130	Current contract liabilities	6(27) and 7	286,814	1	198,745	-
2150	Notes payable		137	-	8,102	-
2170	Accounts payable		6,322,924	10	4,024,953	6
2180	Accounts payable to related parties	7	16,432	-	99	-
2200	Other payables	6(18)	1,965,879	3	1,406,103	2
2220	Other payables to related parties	7	16,335	-	13,815	-
2230	Current income tax liabilities		202,055	-	247,769	-
2250	Current provisions	6(23)	896,296	1	160,385	-
2280	Current lease liabilities	7	134,292	-	130,000	-
2320	Long-term liabilities, current portion	6(19)(20)	19,051,819	31	971,188	2
2399	Other current liabilities, others		67,079	-	12,250	-
21XX	Current Liabilities		46,005,785	74	17,125,558	25
Non-current liabilities						
2530	Bonds payable	6(19)	-	-	1,976,525	3
2540	Long-term borrowings	6(20)	10,436,553	17	25,515,915	38
2570	Deferred income tax liabilities	6(33)	606,768	1	456,184	1
2580	Non-current lease liabilities	7	853,786	2	1,852,620	3
2600	Other non-current liabilities	6(8)(23)	89,631	-	54,696	-
25XX	Non-current liabilities		11,986,738	20	29,855,940	45
2XXX	Total Liabilities		57,992,523	94	46,981,498	70
Equity						
	Share capital	6(24)				
3110	Share capital - common stock		2,462,421	4	2,462,421	4
	Capital surplus	6(25)				
3200	Capital surplus		5,738,331	9	5,127,207	7
	Retained earnings	6(26)				
3310	Legal reserve		233,561	-	120,162	-
3320	Special reserve		8,361	-	8,361	-
3350	Unappropriated retained earnings					
	(accumulated deficit)		(5,189,476) (	8)	1,279,725	2
	Other equity interest					
3400	Other equity interest		62,041	-	1,870,001	3
31XX	Equity attributable to owners of the parent		3,315,239	5	10,867,877	16
36XX	Non-controlling interest		581,122	1	9,090,086	14
3XXX	Total equity		3,896,361	6	19,957,963	30
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 61,888,884	100	\$ 66,939,461	100

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for (loss) earnings per share amounts)

			Year ended December 31			
			2025		2024	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(27) and 7		\$ 32,820,918	100	\$ 26,903,862	100
5000 Operating costs	6(6)(32) and 7		(48,513,748)	(148)	(23,277,055)	(87)
5900 Gross (loss) profit			(15,692,830)	(48)	(3,626,807)	(13)
5910 Unrealized profit from sales			(43,478)	-	(32,443)	-
5920 Realized profit on from sales			285	-	-	-
5950 Net gross (loss) profit			(15,736,023)	(48)	(3,594,364)	(13)
Operating expenses	6(32) and 7					
6100 Selling expenses			(179,943)	(1)	(224,625)	(1)
6200 General and administrative expenses			(1,459,283)	(4)	(1,231,988)	(5)
6300 Research and development expenses			(257,125)	(1)	(403,661)	(1)
6450 Expected credit loss	12(2)		(2,675)	-	(635)	-
6000 Total operating expenses			(1,899,026)	(6)	(1,860,909)	(7)
6900 Operating (loss) profit			(17,635,049)	(54)	(1,733,455)	(6)
Non-operating income and expenses						
7100 Interest income	6(4)(28)		248,914	1	227,130	1
7010 Other income	6(12)(29) and 7		261,580	1	250,309	1
7020 Other gains and losses	6(2)(14)(30)		(894,377)	(3)	(150,736)	(-)
7050 Finance costs	6(31) and 7		(1,139,045)	(4)	(608,745)	(2)
7060 Share of profit of associates and joint ventures accounted for using equity method	6(8)		287,885	1	197,502	1
7000 Total non-operating income and expenses			(1,235,043)	(4)	(216,932)	(1)
7900 Profit before income tax			(18,870,092)	(58)	(1,950,387)	(7)
7950 Income tax expense	6(33)		(408,830)	(1)	(531,655)	(2)
8200 (Loss) profit for the year			(\$ 19,278,922)	(59)	(\$ 1,418,732)	(5)
Components of other comprehensive income that will not be reclassified to profit or loss						
8311 Other comprehensive income, before tax, actuarial gains on defined benefit plans	6(21)		\$ 10,812	-	\$ 12,397	-
8316 Unrealised (loss) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)		(1,737,889)	(5)	(1,275,836)	(5)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(33)		(2,163)	-	(2,479)	-
8310 Components of other comprehensive income that will not be reclassified to loss or profit			(1,729,240)	(5)	(1,285,754)	(5)
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Financial statements translation differences of foreign operations			(199,199)	(1)	(292,050)	(1)
8399 Income tax relating to the components of other comprehensive income	6(33)		3,061	-	(34,353)	-
8360 Components of other comprehensive income that will be reclassified to loss or profit			(196,138)	(1)	(257,697)	(1)
8300 Other comprehensive (loss) income for the year			(\$ 1,925,378)	(6)	(\$ 1,543,451)	(6)
8500 Total comprehensive (loss) income for the year			(\$ 21,204,300)	(65)	(\$ 2,962,183)	(11)
(Loss) profit attributable to:						
8610 Owners of the parent			(\$ 5,625,725)	(17)	(\$ 1,124,070)	(4)
8620 Non-controlling interest			(13,653,197)	(42)	(294,662)	(1)
Total			(\$ 19,278,922)	(59)	(\$ 1,418,732)	(5)
Comprehensive (loss) income attributable to:						
8710 Owners of the parent			(\$ 7,425,036)	(23)	(\$ 2,594,656)	(10)
8720 Non-controlling interest			(13,779,264)	(42)	(367,527)	(1)
Total			(\$ 21,204,300)	(65)	(\$ 2,962,183)	(11)
(Loss) earnings per share	6(34)					
9750 Basic (loss) earnings per share (in dollars)			(\$ 22.85)		(\$ 4.56)	
9850 Diluted (loss) earnings per share (in dollars)			(\$ 22.85)		(\$ 4.54)	

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent											
Retained earnings						Other equity interest					
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised (losses) gains from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
Notes											
Year 2024											
		\$ 2,462,421	\$ 5,004,042	\$ 105,157	\$ 299,035	\$ 239,431	(\$ 226,606)	\$ 635,939	\$ 8,519,419	\$ 8,193,720	\$ 16,713,139
		-	-	-	-	1,124,070	-	-	1,124,070	294,662	1,418,732
	6(3)	-	-	-	-	9,918	184,832	1,275,836	1,470,586	72,865	1,543,451
		-	-	-	-	1,133,988	184,832	1,275,836	2,594,656	367,527	2,962,183
	6(25)	-	(123,121)	-	-	-	-	-	(123,121)	-	(123,121)
	6(26)										
		-	-	15,005	-	(15,005)	-	-	-	-	-
		-	-	-	(290,674)	290,674	-	-	-	-	-
		-	-	-	-	(369,363)	-	-	(369,363)	-	(369,363)
	6(8)										
		-	30,422	-	-	-	-	-	30,422	-	30,422
	6(19)(25)(35)										
		-	214,517	-	-	-	-	-	214,517	709,289	923,806
	6(35)	-	-	-	-	-	-	-	-	(182,366)	(182,366)
	6(22)(24)	-	1,347	-	-	-	-	-	1,347	1,916	3,263
		<u>\$ 2,462,421</u>	<u>\$ 5,127,207</u>	<u>\$ 120,162</u>	<u>\$ 8,361</u>	<u>\$ 1,279,725</u>	<u>(\$ 41,774)</u>	<u>\$ 1,911,775</u>	<u>\$ 10,867,877</u>	<u>\$ 9,090,086</u>	<u>\$ 19,957,963</u>
Year 2025											
		\$ 2,462,421	\$ 5,127,207	\$ 120,162	\$ 8,361	\$ 1,279,725	(\$ 41,774)	\$ 1,911,775	\$ 10,867,877	\$ 9,090,086	\$ 19,957,963
		-	-	-	-	(5,625,725)	-	-	(5,625,725)	(13,653,197)	(19,278,922)
		-	-	-	-	8,649	(70,071)	(1,737,889)	(1,799,311)	(126,067)	(1,925,378)
		-	-	-	-	(5,617,076)	(70,071)	(1,737,889)	(7,425,036)	(13,779,264)	(21,204,300)
	6(26)										
		-	-	113,399	-	(113,399)	-	-	-	-	-
		-	-	-	-	(738,726)	-	-	(738,726)	-	(738,726)
	6(8)(25)										
		-	13,441	-	-	-	-	-	13,441	(2,545)	10,896
	6(25)(35)	-	573,537	-	-	-	-	-	573,537	4,236,168	4,809,705
	6(8)(25)										
		-	(2,477)	-	-	-	-	-	(2,477)	-	(2,477)
	6(35)	-	-	-	-	-	-	-	-	987,488	987,488
	6(22)(25)	-	26,623	-	-	-	-	-	26,623	49,189	75,812
		<u>\$ 2,462,421</u>	<u>\$ 5,738,331</u>	<u>\$ 233,561</u>	<u>\$ 8,361</u>	<u>(\$ 5,189,476)</u>	<u>(\$ 111,845)</u>	<u>\$ 173,886</u>	<u>\$ 3,315,239</u>	<u>\$ 581,122</u>	<u>\$ 3,896,361</u>

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
(Loss) profit before tax		(\$ 18,870,092)	\$ 1,950,387
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property and right-of-use assets)	6(9)(10)(12)(30)(32)	898,674	627,157
Amortization	6(13)(32)	98,468	81,957
Unrealized gross profit on sales	6(8)	43,478	32,443
Realized gross profit on sales	6(8)	(285)	-
Expected credit impairment loss	12(2)	2,675	635
Gains on disposals of property, plant and equipment	6(9)(30)	(516,296)	(28,812)
Financial assets at fair value through profit or loss	6(2)(30)	2,085	(2,482)
Share of profit of associates and joint ventures accounted for using the equity method		(287,885)	(197,502)
Interest expense	6(31)	1,139,045	608,745
Interest income	6(28)	(248,914)	(227,130)
Dividend income	6(29)	(141,068)	(134,293)
Compensation cost of employee share options	6(22)	75,812	3,263
Deferred government grants revenue recognised		(925)	(3,932)
Income from subleasing right-of-use assets		(38)	(806)
Profit from lease modification	6(10)(30)	(7,317)	(1)
Gain on disposal of investments	6(30)	(3,274)	-
Impairment loss on non-financial assets	6(30)	1,310,134	127,272
Loss on default	6(30)	154,733	-
Provisions for onerous contracts	6(23)	605,399	6,677
Warranty provision (reversal gain) loss		(1,031)	(2,217)
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		(1,785,450)	(230,926)
Notes receivable, net		(13,611)	12,635
Accounts receivable		139,801	358,019
Accounts receivable - related parties		183,627	(204,593)
Other receivables		(694,218)	48,853
Inventories		258,004	27,792
Prepayments		10,728,916	(6,559,216)
Other current assets		(10,897)	6,846
Changes in operating liabilities			
Contract liabilities - current		58,070	2,163
Notes payable		(8,340)	(24,575)
Accounts payable		2,283,279	1,443,724
Accounts payable to related parties		16,333	(9,811)
Other payables		(101,647)	252,438
Other payables to related parties		2,520	(2,885)
Provision for liabilities		(23,485)	-
Other current liabilities		52,606	236
Cash outflow generated from operations		(4,661,114)	(2,033,505)
Interest received		241,048	244,853
Interest paid		(1,044,428)	(538,740)
Dividends received		171,359	151,152
Income tax paid		(569,986)	(475,336)
Net cash flows used in operating activities		(5,863,121)	(2,651,576)

(Continued)

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 102,733)	(\$ 45,780)
Increase (decrease) in financial assets at amortised cost		823,907	(5,006,006)
Proceeds from disposal (acquisition) of financial assets at fair value through profit or loss		1,250	(29)
Acquisition of equity interest in subsidiaries (net of cash acquired)	6(37)	(43,366)	-
Net cash flow from acquisition of subsidiaries	6(36)	779,025	-
Acquisition of investments accounted for using the equity method	6(8) and 7	(116,400)	(852,327)
Acquisition of property, plant and equipment	6(9)(37)	(8,660,863)	(5,901,653)
Proceeds from disposal of property, plant and equipment	6(9)	955,880	45,674
Acquisition of intangible assets	6(13)	(7,456)	(16,033)
Increase in prepayments for business facilities		(309,600)	(221,353)
Decrease (increase) in refundable deposits		799,243	(187,904)
Increase in other non-current assets		(43,914)	(41,066)
Net cash flows used in investing activities		(5,925,027)	(12,226,477)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(38)	29,154,873	20,543,605
Decrease in short-term borrowings	6(38)	(22,392,213)	(24,320,356)
Increase in short-term notes payable	6(38)	395,954	510,858
Increase in long-term borrowings	6(38)	30,131,461	31,893,000
Decrease in long-term borrowings	6(38)	(29,231,901)	(12,012,581)
Repayment of lease liabilities	6(38)	(120,539)	(161,122)
Increase (decrease) in guarantee deposits received		2,656	(6,122)
(Decrease) increase in other non-current liabilities		(5,124)	2,047
Cash dividends paid	6(26)	(738,726)	(369,363)
Cash dividends from capital surplus	6(25)	-	(123,121)
Subsidiary's cash dividends paid to non-controlling interests	6(35)	(212,594)	(182,366)
Proceeds from disposal of subsidiaries	6(35)	827,174	-
Changes in non-controlling interest	6(35)	3,823,902	1,350
Net cash flows from financing activities		11,634,923	15,775,829
Changes in foreign currency exchange		(28,489)	77,371
Net (decrease) increase in cash and cash equivalents		(181,714)	975,147
Cash and cash equivalents at beginning of year		7,928,276	6,953,129
Cash and cash equivalents at end of year		\$ 7,746,562	\$ 7,928,276

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

A. FIT Holding Co., Ltd. (the “Company”) and its subsidiaries (collectively referred herein as the “Group”) were incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on October 1, 2018. The Group is primarily engaged in production, manufacturing and trading of optical instrument components, computer peripheral components, 3C products, image scanners and multifunction printers, investment and development of power plant and cleaning energy services.

B. The Company’s subsidiaries, Glory Science Co., Ltd. (Glory Science), Power Quotient International Co., Ltd. (PQI) and Foxlink Image Technology Co., Ltd. (Foxlink Image) entered into a joint share swap agreement as approved by each of their Board of Directors in May 2018. The Company acquired 100% shares of Glory Science, PQI and Foxlink Image through share swap by exchanging 1 common share of PQI with 0.194 common share of the Company, 1 common share of Foxlink Image with 0.529 common share of the Company and 1 common share of Glory Science with 1 common share of the Company. The agreement was approved by the shareholders of Glory Science, PQI and Foxlink Image in June 2018, respectively. The transactions of joint shares swap were completed on October 1, 2018. The Company’s shares were listed on the Taiwan Stock Exchange (TSE) and approved by the regulatory authority on the same date. Cheng Uei Precision Industry Co., Ltd. holds an indirect ownership interest of 38.19% in the Company, which was the Company’s largest shareholder and had control over the Company. Cheng Uei was the ultimate parent company of the Company.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 30, 2026

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

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

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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
Amendment 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

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment:

Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

- (A) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to ESG targets), non-recourse features and contractually-linked instruments.
- (B) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.
- (C) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

The conditions for the exception are that the entity making the payment does not have:

- a. the practical ability to withdraw, stop or cancel the payment instruction;

- b. the practical ability to access the cash used for settlement; and
- c. significant settlement risk.

(D) Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027(Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment:

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and liabilities (including derivatives) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit assets and liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
- (f) For the intra-group reorganisation, the Group shall recognise the acquisition in investments accounted for using equity method based on the carrying amount of subsidiary (net of impairment loss) in accordance with Accounting Research and Development Foundation Interpretation 100-248 and other related letters. The difference between carrying amount of the Group's investments accounted for using equity method in the subsidiary (net of impairment loss) and its consideration will be adjusted in "capital surplus, share premium". If the write-off is insufficient, "retained earnings" will be adjusted and decreased.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
The Company	Glory Science Co., Ltd. (Glory Science)	Manufacture and sale of optical lens components and other products	100	100	
The Company	Foxlink Image Technology Co., Ltd. (Foxlink Image)	Manufacture and sale of image scanners and multifunction printers	100	100	
The Company	Power Quotient International Co., Ltd. (PQI)	Manufacture of electronic telecommunication components	100	100	
The Company	Shih Fong Power Co., Ltd. (Shih Fong)	Energy service management	16.30	16.30	Note 1
The Company	Synergy Co., Ltd. (Synergy)	Energy service management	2.30	–	Note 8
Glory Science	GLORY TEK (BVI) CO.,LTD. (GLORY TEK)	General investments holding	100	100	
GLORY TEK	GLORY OPTICS (BVI) CO., LTD. (GLORY OPTICS)	Sales agent	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
GLORY TEK	GLORY TEK (SAMOA) CO., LTD. (GLORY TEK (SAMOA))	General investments holding	100	100	
GLORY TEK	GLORYTEK SCIENCE INDIA PRIVATE LIMITED (GLORYTEK SCIENCE INDIA)	Manufacture and sale of the components of communication and consumer electronics	99.27	99.27	
GLORY TEK (SAMOA)	Glorytek (Suzhou) Co., Ltd. (Glorytek Suzhou)	Production and processing and sale of optical lens components and other products	100	100	
GLORY TEK (SAMOA)	Glory Optics (Yancheng) Co., Ltd. (GOYC)	Production and processing and sale of optical lens components and other products	47	47	Note 2
GLORY OPTICS	Glorytek (Yancheng) Co., Ltd. (Glorytek Yancheng)	Production and processing and sale of optical lens components and other products	100	100	
Glorytek Yancheng	Yancheng Yaowei Technology Co., Ltd. (YYWT)	Production and processing and sale of optical lens components and other products	100	100	
Glorytek Suzhou	Glory Optics (Yancheng) Co., Ltd. (GOYC)	Production and processing and sale of optical lens components and other products	53	53	Note 2
Foxlink Image	ACCU-IMAGE TECHNOLOGY LIMITED (AITL)	Manufacture and sale of image scanners and multifunction printers	100	100	
Foxlink Image	Shih Fong Power Co., Ltd. (Shih Fong)	Energy service management	34.70	34.70	Note 1

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
Foxlink Image	Shinfox Energy Co. Ltd. (Shinfox Energy)	Energy service management	6.67	–	Note 9
AITL	Dong Guan Fu Zhang Precision Industry Co., Ltd. (DGFZ)	Mould development and moulding tool manufacture	100	100	
AITL	Dongguan Fu Wei Electronics Co., Ltd. (Dongguan Fu Wei)	Manufacture and sale of image scanners and multifunction printers	100	100	
AITL	Wei Hai Fu Kang Electric Co., Ltd. (WHFK)	Manufacture and sale of parts and moulds of photocopiers and scanners	100	100	
AITL	Dong Guan HanYang Computer Co., Ltd. (DGHY)	Manufacture of image scanners and multifunction printers and investment of real estate	100	100	
PQI	Power Quotient International (H.K.) Co., Ltd. (PQI H.K.)	Sale of electronic telecommunication components	100	100	
PQI	PQI Japan Co., Ltd. (PQI JAPAN)	Sale of electronic telecommunication components	100	100	
PQI	Syscom Development Co., Ltd. (SYSCOM)	Specialized investments holding	100	100	
PQI	Apix Limited (APIX)	Specialized investments holding	100	100	
PQI	Power Sufficient International Co., Ltd. (PSI)	Sale of medical instruments	–	–	Note 23
PQI	Shinfox Energy Co. Ltd. (Shinfox)	Energy service management	37.49	45.82	Note 9

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
Shinfox	Foxwell Energy Corporation Ltd. (Foxwell Energy)	Energy service management	100	100	Note 10、19
Shinfox	Shinfox Natural Gas Co., Ltd. (Shinfox Natural Gas)	Energy service management	80	80	
Shinfox	Kunshan Jiuwei Info Tech Co., Ltd. (Kunshan Jiuwei)	Supply chain finance energy service management	100	100	Note 21
Shinfox	Foxwell Power Co., Ltd. (Foxwell Power)	Energy service management	49.36	77.57	Note 7
Shinfox	Jiuwei Power Co., Ltd. (Jiuwei Power)	Natural gas service management	100	100	Note 22
Shinfox	Elegant Energy TECH Co., Ltd. (Elegant Energy)	Energy service management	100	100	
Shinfox	Yuanshan Forest Natural Resources Co., Ltd. (Yuanshan Forest)	Afforestation	100	100	
Shinfox	Guanwei Power Co., Ltd. (Guanwei Power)	Electricity generating enterprise	51	51	
Shinfox	Junwei Power Co., Ltd. (Junwei Power)	Electricity generating enterprise	100	100	Note 6
Shinfox	Shinfox Far East Company Pte. Ltd. (SFE)	Maritime Engineering	67	67	
Shinfox	Eastern Rainbow Green Energy Environmental Technology Co., Ltd. (Eastern Rainbow Green Energy)	Electricity generating enterprise	56.63	56.63	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
Shinfox	Chengdu Xinfuwei Energy Co., Ltd. (Chengdu Xinfuwei)	Electricity generating enterprise	100	100	Note 3
Shinfox	Fox Nam Energy Co., LTD. (Fox Nam)	Electricity generating enterprise	100	100	Note 3
Shinfox	Youde Wind Power Co., Ltd. (Youde Wind Power)	Electricity generating enterprise	70.04	70.04	Note 3 、 5
Shinfox	Synergy Co., Ltd. (Synergy)	Energy service management	50	-	Note 8
SFE	Shinfox Far East (Taiwan) Company Pty Ltd (SFET)	Maritime Engineering	100	100	Note 3
SFE	SFE Hercules Company Corporation (SFEH)	Maritime Engineering	100	100	Note 3
SFE	SFE Developer Company Corporation (SFED)	Maritime Engineering	100	100	Note 3 、 11
Eastern Rainbow Green Energy Environmental Technology Co., Ltd. (Eastern Rainbow Green Energy)	Eastern Rainbow Environmental Technology Co., Ltd. (Eastern Rainbow Environmental)	Energy Technical Services	100	100	
Eastern Rainbow Green Energy	Kunshan Eastern Rainbow Environmental Equipment Co., Ltd. (Kunshan Eastern Rainbow)	Energy Technical Services	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
Foxwell Energy	Xinwei Power Co., Ltd. (Xinwei Power)	Electricity generating enterprise	-	100	Note 13
Foxwell Energy	Youde Wind Power Co., Ltd. (Youde Wind Power)	Electricity generating enterprise	29.96	29.96	Note 3 、5
Foxwell Power	Foxwell Certification Co., Ltd. (Foxwell Certification)	Energy Technical Services	95.50	95.50	Note 4
Foxwell Power	Billion Sun Energy Storage Technologies Inc.(Billion Sun)	Energy Technical Services	30	-	Note 15
Foxwell Power	Huijie Energy Co., Ltd. (Huijie)	Energy Technical Services	100	-	Note 12
Foxwell Power	Smart Power System Co., Ltd. (Smart Power System)	Energy Technical Services	51	-	Note 14
Smart Power System	Zhixin Energy Co., Ltd. (Zhixin)	Energy storage equipment services and operation & maintenance (O&M) services industry	100	-	Note 17
Smart Power System	Smart Power system Australia Pty Ltd	Energy Technical Services	100	-	Note 17
Smart Power System	Zhiwei Electric Power Co., Ltd. (Zhiwei Electric)	Electrical equipment inspection and maintenance services industry	-	-	Note 20
Synergy	Billion Sun Energy Storage Technologies Inc.	Energy Technical Services	40	-	Note 15

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
Synergy	Xinwei Power Co., Ltd. (Xinwei Power)	Electricity generating enterprise	100	-	Note 13
SYSCOM	FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED (FOXLINK POWERBANK)	Manufacture of electronic telecommunication components	99.27	99.27	
APIX	Sinocity Industries Limited (Sinocity)	Sales of electronic equipment	100	100	
APIX	Perennial Ace Limited (Perennial)	Specialised investments holding	100	100	
Sinocity	DG LIFESTYLE STORE LIMITED (MDG)	Sales of electronic equipment	-	100	Note 18
PQI H.K.	Power Quotient Technology (YANCHENG) Co., Ltd. (PQI YANCHENG)	Manufacture of electronic telecommunication components	100	100	
PQI YANCHENG	PQI (Xuzhou) New Energy Co.,Ltd. (PQI Xuzhou)	Manufacture of electronic telecommunication components	-	100	Note 16

Note 1: The Company jointly held 51% of the share capital of Shih Fong with Foxlink Image.

Note 2: GLORY TEK (SAMOA) and Glorytek Suzhou jointly held 100% equity interest of GOYC.

Note 3: A subsidiary that was established and invested or acquired through merger in 2024.

Note 4: The Group's second-tier subsidiary, Foxwell Certification Co., Ltd., increased its capital on May 2024, and reserved certain shares for employee preemption in accordance with regulations. As a result, the Group's shareholding ratio was decreased by 4.50% from 100% to 95.5%.

- Note 5: The Group's second-tier subsidiary, Shinfox and Foxwell Energy, participated in Youde Wind Power Co., Ltd.'s capital increase in November 2024. After the capital increase, Youde Wind Power became a wholly-owned subsidiary of Shinfox and Foxwell Energy with 70.04% and 29.96% ownership, respectively, resulting in the Group holding 100% of the equity interest in Youde Wind Power.
- Note 6: On December 26, 2024, the Group's second-tier subsidiary, Shinfox Energy, participated in the capital increase of Junwei Power amounting to \$10,000. The shareholding ratio remains at 100% after the capital increase.
- Note 7: The Group's sub-sub-subsidiary, Foxwell Power, conducted a cash capital increase and issued new shares on January 13, 2025. As the Group did not subscribe in proportion to its shareholding, its ownership interest decreased by 11.7%, resulting in a reduction of its shareholding to 65.87%. On July 1, 2025, 3,328,571 ordinary shares were issued to acquire shares of Smart Power System. As the Group did not subscribe proportionally, its ownership interest decreased by 2.97% to 62.90%. In December 2025, the Group disposed 10,000 thousand shares of Foxwell Power, thus, its ownership interest decreased to 49.36%. The Group still has control over the entity.
- Note 8: The Company originally held an 8.88% equity interest in Synergy. In January 2025, Shinfox Energy, a sub-sub-subsidiary of the Group, participated in Synergy's cash capital increase. Following the capital increase, the Group's consolidated shareholding increased to 52.3%, and with a majority of board seats, the Group gained control and therefore consolidated Synergy as a subsidiary.
- Note 9: In March 2025, Foxlink Image, a subsidiary of the Group, made a capital injection into Shinfox Energy, resulting in a 6.67% shareholding. Foxlink Image and PQI together hold a 44.16% equity interest in Shinfox Energy.
- Note 10: In March 2025, Shinfox Energy, a sub-sub-subsidiary of the Group, injected \$2,000,000 in cash as capital into Foxwell Energy, maintaining a 100% shareholding after the capital increase.
- Note 11: In April 2025, the Group's sub-sub-subsidiary, SFE, invested in SFED by contributing a vessel valued at USD 9,920 thousand. After the capital increase, the Group's shareholding remained at 100%.
- Note 12: This pertains to the Group's sub-sub-subsidiary, Foxwell Power, which was acquired during 2025. As the project site had not yet commenced construction at the acquisition date, it did not meet the definition of a business under IFRS 3.2. Accordingly, the business combination accounting treatment was not applied.
- Note 13: In September 2025, the Group's sub-sub-subsidiary, Foxwell Energy, disposed its entire equity interest in Xinwei Power to Synergy.

Note 14: Foxwell Power, a sub-subsidiary of the Group, acquired 51% of the shares of Smart Power System in July 2025 by issuing 3,328,571 ordinary shares and paying cash of \$350,000, and obtained control. Accordingly, it has been included in the consolidated financial statements.

Note 15: On August 26, 2025, the Board of Directors of the Group's sub-subsidiary, Billion Sun Energy, resolved to conduct a cash capital increase by issuing 123,800 new shares at a subscription price of NT\$10 (in dollars) per share, with the record date set as September 12, 2025. Foxwell Power subscribed for shares with a total consideration of \$322,400. As it did not subscribe in proportion to its ownership interest, it lost control of Billion Sun Energy, and its shareholding decreased from 100% to 30%. In addition, Synergy participated in the capital increase and acquired 40% of the shares of Billion Sun Energy, with a total subscription amount of \$593,200.

Note 16: The Group's sub-subsidiary, PQI (Xuzhou) completed its liquidation in the third quarter of 2025.

Note 17: Represents entities newly established or acquired during 2025.

Note 18: The Group's sub-subsidiary, MDG, completed its liquidation in the fourth quarter of 2025.

Note 19: The Group's sub-subsidiary, Shinfox Energy, has participated in Foxwell Energy's capital increase in the amounts of NT\$600,000 and NT\$700,000 on December 4, 2025 and December 29, 2025, respectively. After the capital increase, the shareholding ratio remained at 100%.

Note 20: The shareholders resolved to liquidate Zhiwei Electric since it had no actual operating activities in current years. The effective date of liquidation was set on May 23, 2024.

Note 21: On May 9, 2025, the Group's sub-subsidiary, Shinfox Energy, participated in the capital increase of Kunshan Jiuwei amounting to US\$50 thousand. The shareholding ratio remains at 100% after the capital increase.

Note 22: On September 30, 2025, the Group's sub-subsidiary, Jiuwei Power, reduced its capital and retired 90,000 thousand shares. The Group's sub-subsidiary, Shinfox Energy, reduced its capital in proportion to its shareholding, thus, its shareholding ratio remains at 100% after the capital reduction of Jiuwei Power.

Note 23: PSI completed its liquidation in the third quarter of 2024.

C. Subsidiaries not included in the consolidated financial statements

None.

D. Adjustments for subsidiaries with different balance sheet dates

None.

E. Significant restrictions

None.

F. Subsidiaries that have non-controlling interests that are material to the Group

As of December 31, 2025 and 2024, the non-controlling interest amounted to \$581,122 and \$9,090,086, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest		Non-controlling interest	
		December 31, 2025		December 31, 2024	
		Amount	Ownership (%)	Amount	Ownership (%)
SHINFOX Energy Co., Ltd.	Taiwan	(577,313)	55.84	7,896,272	54.18

Summarised financial information of the subsidiaries:

Balance sheets

	SHINFOX Energy Co., Ltd.	
	December 31, 2025	December 31, 2024
Current assets	\$ 22,326,894	\$ 34,685,933
Non-current assets	22,696,900	15,175,528
Current liabilities	(39,600,185)	(12,161,411)
Non-current liabilities	(5,382,071)	(24,004,450)
Total net assets	<u>\$ 41,538</u>	<u>\$ 13,695,600</u>

Statements of comprehensive income

	SHINFOX Energy Co., Ltd.	
	Year ended December 31, 2025	Year ended December 31, 2024
Revenue	\$ 26,064,104	\$ 19,644,727
(Loss) profit before income tax	(20,490,519)	939,806
Income tax expense	(202,284)	(279,393)
(Loss) profit for the period	(20,692,803)	660,413
Other comprehensive (loss) income, net of tax	(183,789)	120,190
Total comprehensive (loss) income for the period	<u>(\$ 20,876,592)</u>	<u>\$ 780,603</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 4,803,574)</u>	<u>(\$ 114,419)</u>
Dividends paid to non-controlling interest	<u>(\$ 212,594)</u>	<u>(\$ 182,366)</u>

Statements of cash flows

	SHINFOX Energy Co., Ltd.	
	Year ended December 31, 2025	Year ended December 31, 2024
Net cash used in operating activities	(\$ 7,026,539)	(\$ 3,857,014)
Net cash used in investing activities	(5,903,904)	(11,800,653)
Net cash provided by financing activities	11,540,765	16,554,769
Effect of exchange rates on cash and cash equivalents	(58,667)	10,693
(Decrease) increase in cash and cash equivalents	(1,448,345)	907,795
Cash and cash equivalents, beginning of period	4,820,258	3,912,463
Cash and cash equivalents, end of period	<u>\$ 3,371,913</u>	<u>\$ 4,820,258</u>

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars (NTD), which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are

translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
 - (b) Assets that are held primarily for the purpose of trading;
 - (c) Assets that are expected to be realised within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled in the normal operating cycle;
 - (b) Liabilities that are held primarily for the purpose of trading;
 - (c) Liabilities that are due to be settled within twelve months after the reporting period;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.
- C. The construction contracts contracted by the Group are generally longer than one year. The assets and liabilities of the construction projects are classified as current or non-current according to the business cycle.

(6) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income:
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
- (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if

such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

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

(13) Leasing arrangements (lessor) - lease receivables/ operating leases

A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.

(a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as 'lease receivables' at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as 'unearned finance income of finance lease'.

(b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

(c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

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

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(15) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does

- not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
 - D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
 - F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
 - G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
 - H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.
 - I. When the Group disposed a subsidiary who is engaged in developing and constructing renewable power plant, related income and expenses arising from the disposal transaction are belong to operating activities, which will be recognised in other income and expenses, net based on the actual operating conditions.

J. At the balance sheet date, the Group performs an impairment test for an investment in an associate when there is an indication that the investment may be impaired. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(16) Investment accounted for using equity method – joint ventures

Investment of joint arrangements are classified as joint ventures based on its contractual rights and obligations.

The Group accounts for its interest in a joint venture using equity method. Unrealised profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(17) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and

Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	1 ~ 50 years
Machinery and equipment	1 ~ 20 years
Transportation equipment	5 years
Office equipment	2 ~ 5 years
Ship equipment	20 ~ 25 years
Leasehold improvements	1 ~ 7 years
Other equipment	3 ~ 15 years

(18) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:
 - (a) Fixed payments, less any lease incentives receivable;
 - (b) Variable lease payments that depend on an index or a rate;
 - (c) Amounts expected to be payable by the lessee under residual value guarantees;
 - (d) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
 - (e) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
 - (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date;
 - (c) Any initial direct costs incurred by the lessee; and
 - (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(19) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 15 ~ 50 years.

(20) Intangible assets

A. Patents and customer relationships

Separately acquired patents and customer relationships are stated at historical cost. Patents and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Patents and customer relationships have a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 4 to 18 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. Trademark right (indefinite useful life)

Trademark right is stated at cost and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Trademark right is not amortised, but is tested annually for impairment.

D. Except for goodwill and trademark right, intangible assets are mainly computer software and customer relationships and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

(21) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(22) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(23) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(24) Convertible bonds payable

Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares, but not by exchanging a fixed amount of cash for a fixed number of common shares) and put options. The Company classifies the bonds payable upon issuance as a financial asset, financial liability or equity in accordance with the contract terms. They are accounted for as follows:

- (a) The embedded put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- (b) The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- (c) The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- (d) Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- (e) When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total carrying amount of the abovementioned liability component and 'capital surplus—

share options’.

(25) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expired.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Employees’ compensation and directors’ and supervisors’ remuneration

Employees’ compensation and directors’ and supervisors’ remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(28) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date.

(29) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the

deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(30) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(31) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved at the Board of Directors' meeting. Cash dividends are recorded as liabilities; stock dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(32) Revenue recognition

A. Sales revenue

- (a) The Group manufactures and sells optical instrument components, image scanners and electronic components. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.

- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Service revenue

The Group provides services such as products research, development and mold repair, energy-saving services, equipment maintenance services, design and development of solar power projects, energy storage system ancillary and other services. If the outcome of services provided can be estimated reliably or the milestone of the research and development project is reached, revenue should be recognised by reference to the stage of project or the point in time of billing. The Group's certain revenue from providing services is recognised when the services are rendered and certain revenue from providing services is recognised in the accounting period in which the services are rendered.

C. Construction contract revenue

- (a) The Group's construction revenue mainly arises from undertaking construction contracts. As the cost of construction input is directly related to the stage of completion of performance obligations, revenue is recognised by the proportion of contract costs input to the estimated total costs.
- (b) The Group's revenue is recognised as contract assets over time based on the proportion of the cost of construction input. Accounts receivable from a service contract are recognised in which the Group bills monthly at the amount to which the Group has the right to invoice. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- (c) Some of the Group's sales contracts include variable consideration for price break. The Group uses either the expected value or the most likely amount as an appropriate estimate of the variable consideration.

D. Electricity (and gas) sales revenue

The Group's electricity (and gas) sales revenue arising from the sales of goods is recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity.

E. Rental revenue

The leases are classified as finance leases when the lease terms refer that significant risks and rewards are transferred to the lessees. The lease revenue is recognised as lease payments receivable for finance leases. Income of finance leases is to reflect a constant periodic rate of return for each period over the entire accounting periods. Receivables arising from the lease transactions are recognised as contract liabilities.

(33) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(34) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(35) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(14) for the information of goodwill impairment.

As of December 31, 2025, the goodwill, net of impairment loss amounted to \$1,112,276.

B. Impairment assessment of tangible assets

(a) The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilized and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

(b) When the Group identifies signs that the ship equipment of the Group's sub-subsidiary may have been impaired and the Group uses the work of external valuation specialists to assess the impairment of the ship equipment. The recoverable amount of ship equipment is measured by the specialists appointed by management based on the fair value less costs of disposal. As the estimation of recoverable amount is mainly subject to the ship valuation report issued by the specialists appointed by management, the data source and the assumptions adopted by the specialists may be material to the valuation result. Please refer to Note 6(14) for the related information.

C. Construction contract revenue and estimated total costs

The Group's construction revenue is recognised by reference to the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. Contract costs are expensed as incurred. The stage of completion of a contract is measured by the proportion of contract costs incurred for work performed to date to the estimated total costs for the contract.

As the estimated total costs and contract items are assessed and determined by the management based on different nature of constructions and complying with fluctuations in market prices, estimated subcontract charges and material and labour expenses, etc., any changes in estimates might affect the calculation of profit or loss from construction contracts. Furthermore, the Group has ongoing disputes or negotiations with the subcontractors regarding the scope of construction, additional expenses and the recognition of related payments for certain construction contracts during the execution period. The final result of the disputed amount is uncertain. The management has conducted an assessment based on the currently available information, contract terms and relevant legal opinions and estimates the most likely amount as the total estimated costs.

The transaction prices of the unsatisfied performance obligations of the Group's construction contracts are provided in Note 6(27).

D. Estimation of provisions - overdue default penalty

After contracting the construction, the Group cannot carry out the construction as scheduled due to the force majeure or uncontrollable events. As a result, contingent losses arising from the delayed construction involves uncertainty. The Group estimates the provisions based on the historical extension of offshore wind power construction and the experience of applying for the extension. After the assessment and with reference to the legal opinions, currently, there is no event that may cause significant compensation loss arising from the delay of the whole construction. Please refer to Note 6(23) for details.

E. Estimation of provisions - onerous contracts

For the project construction contracted by the Group, the actual cost of fulfilling a contract may be higher than the estimated total payments after acquiring the additional amount, due to events such as weather factors, changes in construction conditions, subcontractors' status of performance and negotiations for additional payments during the construction execution period. When the Group determines that a project constitutes an onerous contract, the Group will recognize provisions for onerous contracts including the current estimates which reflect the performance obligation at one time. Please refer to Note 6(23) for the details of the assessment related to the provisions for onerous contracts.

As of December 31, 2025, the balance of onerous contract liabilities amounted to \$639,861.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand	\$ 10,909	\$ 14,042
Checking accounts and demand deposits	4,878,922	4,538,915
Cash equivalents		
Time deposits	2,656,731	3,375,319
Bonds issued under repurchase agreement	<u>200,000</u>	<u>-</u>
Total	<u>\$ 7,746,562</u>	<u>\$ 7,928,276</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of December 31, 2025 and 2024, cash and cash equivalents amounting to \$6,085,133 and \$7,564,377, respectively, representing letters of guarantee for construction performance, guarantee for bonds, long-term and short-term borrowings, guarantee notes and performance guarantee were pledged to others as collateral and were classified as financial assets at amortised cost.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments-call options of convertible bonds payable	\$ 2,641	\$ 2,641
Listed stocks	605	956
	<u>3,246</u>	<u>3,597</u>
Valuation adjustment	(2,507)	477
	<u>\$ 739</u>	<u>\$ 4,074</u>

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments-call options of convertible bonds payable	(\$ 2,641)	\$ 2,345
Listed stocks	556	137
Total	<u>(\$ 2,085)</u>	<u>\$ 2,482</u>

B. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

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

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Equity instruments		
Listed stocks	\$ 2,505,140	\$ 2,505,140
Unlisted stocks	729,268	626,643
	<u>3,234,408</u>	<u>3,131,783</u>
Valuation adjustment	(393,226)	1,344,663
Total	<u>\$ 2,841,182</u>	<u>\$ 4,476,446</u>

A. The Group has elected to classify equity investments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$2,841,182 and \$4,476,446 as at December 31, 2025 and 2024, respectively.

- B. Amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 1,737,889)	\$ 1,275,836

- C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

- D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets at amortised cost

Items	December 31, 2025	December 31, 2024
Current items:		
Pledged time deposits	\$ 3,765,506	\$ 5,781,502
Time deposits maturing in excess of three months	1,358,581	703,244
Restricted bank deposits	1,175,160	1,180,905
Total	<u>\$ 6,299,247</u>	<u>\$ 7,665,651</u>
Non-current items:		
Restricted bank deposits	\$ 1,074,603	\$ 165,351
Pledged time deposits	69,864	436,619
Total	<u>\$ 1,144,467</u>	<u>\$ 601,970</u>

- A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31,	
	2025	2024
Interest income	<u>\$ 112,743</u>	<u>\$ 86,218</u>

- B. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

- C. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$7,443,714 and \$8,267,621, respectively.

- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	\$ 26,630	\$ 13,019
Accounts receivable	\$ 1,405,929	\$ 1,515,713
Construction payments receivable	135,245	101,717
Finance lease receivables	27,674	27,000
Less: Allowance for uncollectible accounts	(26,945)	(24,270)
	<u>\$ 1,541,903</u>	<u>\$ 1,620,160</u>

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	December 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 1,403,413	\$ 26,630	\$ 1,471,913	\$ 13,019
Up to 30 days	156,940	-	163,391	-
31 to 90 days	4,479	-	7,049	-
91 to 180 days	-	-	393	-
Over 181 days	4,016	-	1,684	-
	<u>\$ 1,568,848</u>	<u>\$ 26,630</u>	<u>\$ 1,644,430</u>	<u>\$ 13,019</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2025 and 2024, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to \$2,027,297.

C. The Group has no accounts receivable and notes receivable pledged to others.

D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

E. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was \$26,630 and \$13,019; \$1,541,903 and \$1,620,160, respectively.

(6) Inventories

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 617,825	(\$ 18,784)	\$ 599,041
Work in progress	168,438	(3,204)	165,234
Finished goods	285,683	(35,336)	250,347
Merchandise	52,432	(3,878)	48,554
Total	<u>\$ 1,124,378</u>	<u>(\$ 61,202)</u>	<u>\$ 1,063,176</u>

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 602,110	(\$ 28,215)	\$ 573,895
Work in progress	138,897	(4,303)	134,594
Finished goods	347,611	(33,898)	313,713
Merchandise	300,046	(1,068)	298,978
Total	<u>\$ 1,388,664</u>	<u>(\$ 67,484)</u>	<u>\$ 1,321,180</u>

The cost of inventories recognised as expense for the year:

	Year ended December 31,	
	2025	2024
Cost of engineering and electricity sales	\$ 42,548,302	\$ 17,476,131
Cost of goods sold	5,266,805	5,697,938
Provision for onerous contracts	605,399	-
Unamortised manufacturing expenses	60,878	92,315
Cost of services	38,321	27,000
Gain on reversal of decline in market value	(6,282)	(20,112)
Loss on scrapping inventory	499	3,953
Gain on physical inventory	(174)	(170)
	<u>\$ 48,513,748</u>	<u>\$ 23,277,055</u>

A. The Group reversed a previous inventory write-down because the Group sold certain inventories which were previously provided with loss on decline in market value and obsolescence during the years ended December 31, 2025 and 2024.

B. As the construction costs of the construction projects undertaken by the Group were significantly increased for the year ended December 31, 2025 and certain construction projects constituted an onerous contract, the Group recognised provision for onerous contracts amounting to \$605,399 for the year ended December 31, 2025. Refer to Note 6(23).

(7) Prepayment

	December 31, 2025	December 31, 2024
Advance payment to construction	\$ 672,698	\$ 11,242,095
Excess business tax paid	328,797	443,916
Payment on behalf of others	328,119	286,014
Prepaid insurance premiums	304,981	524,961
Prepaid rent	452	35,487
Others	342,438	127,541
Less: Impairment loss	(95,423)	-
	<u>\$ 1,882,062</u>	<u>\$ 12,660,014</u>

Impairment information about the prepayments is provided in Note 6(14).

(8) Investments accounted for using the equity method

Investee companies	December 31, 2025	December 31, 2024
	Carrying amount	Carrying amount
Associates :		
Power Channel Limited	\$ 1,292,832	\$ 994,168
DakPsi Investment and Develop Hydroelectric Joint Stock Company	675,446	662,914
Studio A Technology Limited	111,623	103,990
Cheng Shin Digital CO., LTD.	35,224	33,959
Tegna Electronics Private Limited	24,830	26,824
Fujin Energy Technology Co., Ltd.	4,052	-
Hong Ju Energy Co., Ltd.	7,199	-
UbiLink AI Co., Ltd.	(22,336)	9,055
Synergy Co., Ltd.	-	36,019
Joint venture :		
Changpin Wind Power Ltd.	281,893	222,818
	2,410,763	2,089,747
Add: Reclassified to “other non-current liabilities”	22,336	-
	<u>\$ 2,433,099</u>	<u>\$ 2,089,747</u>

A. The Group’s investments accounted for using the equity method for the years ended December 31, 2025 and 2024 were recognised based on the financial statements audited and attested by independent auditors. As of December 31, 2025 and 2024, the share of profit of associates and joint ventures accounted for under the equity method amounted to \$287,885 and \$197,502 respectively.

B. Associates

(a) The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2025	December 31, 2024		
Power Channel	China (Note 1)	35.75%	35.75%	Note 2	Equity method

Note 1: Registered location is Hong Kong.

Note 2: Holds 20% or more of the voting power.

- (b) The summarised financial information of the associates that are material to the Group is as follows:

Balance sheets

	Power Channel Limited	
	December 31, 2025	December 31, 2024
Current assets	\$ 176	\$ 300
Non-current assets	3,261,222	2,470,229
Current liabilities	(120)	(58)
Total net assets	\$ 3,261,278	\$ 2,470,471
Share in associate's net assets	1,165,906	883,193
Goodwill	126,926	110,975
Carrying amount of the associate	\$ 1,292,832	\$ 994,168

Statement of comprehensive income

	Power Channel Limited	
	Year ended December 31,	
	2025	2024
Revenue	\$ 146	\$ -
Profit for the period from continuing operations	\$ 784,338	\$ 592,608
Other comprehensive income, net of tax	110,188	-
Total comprehensive income	\$ 894,526	\$ 592,608
Dividends received from associates	\$ 16,920	\$ 16,859

- (c) The carrying amount of the Group's interests in all individually immaterial associates (Note) and the Group's share of the operating results are summarised below:

As of December 31, 2025 and 2024, the carrying amount of the Group's individually immaterial associates amounted to \$836,038 and \$872,761, respectively.

	Year ended December 31,	
	2025	2024
Profit (loss) for the year from continuing operations	\$ 5,216	(\$ 13,637)
Other comprehensive (loss) income, net of tax	(23,170)	8,131
Total comprehensive loss	(\$ 17,954)	(\$ 5,506)

Note: Tegna Electronics Private Limited, Synergy Co., Ltd., Studio A Technology Limited, Cheng Shin Digital Co., Ltd., UbiLink AI Co., Ltd. and DakPsi Investment and Develop Hydroelectric Joint Stock Company, Fujin Energy Technology Co., Ltd., Hong Ju Energy Co., Ltd. and Billion Power System Technologies INC.

C. Joint venture

The carrying amount of the Group's interests in all individually immaterial joint ventures (Changpin Wind Power Ltd.) and the Group's share of the operating results are summarised below:

(a) As of December 31, 2025 and 2024, the carrying amount of the Group's individually immaterial joint ventures amounted to \$281,893 and \$222,818, respectively.

(b) For the years ended December 31, 2025 and 2024, the Group's interests in immaterial joint ventures and the Group's share of the operating results are summarised below:

	Year ended December 31,	
	2025	2024
Profit (loss) for the year from continuing operations	\$ 2,268	(\$ 33,162)
Total comprehensive income (loss)	<u>\$ 2,268</u>	<u>(\$ 33,162)</u>

D. On September 25, 2023, the Board of Directors of the Company resolved to invest in renewable power plants in Vietnam, GIO Thanh Energy Joint Stock Company, DakPsi Investment and Develop Hydroelectric Joint Stock Company, Vietnam Renewable Energy Joint Company Stock and SECO Joint Stock Company. The Group's shareholding ratio in each investee will be 35%. The contract was signed by both parties on September 29, 2023, with an investment amount of VND 853,248,000 thousand. DakPsi Investment and Develop Hydroelectric Joint Stock Company has completed their investment with VND 517,574,738 thousand (NT\$644,381 thousand) on October 30, 2024. As of March 30, 2026, the investment of the remaining three power plants has not yet been completed.

E. On January 12, 2024 and May 21, 2024, the Group participated in the capital increase of Cheng Shin Digital Co., Ltd. amounting to \$40,670 and \$7,276, respectively. The shareholding ratio remains at 49%.

F. On June 14, 2024, the Group's sub-subsidiary, Shinfox Energy Co., Ltd., jointly established UbiLink AI Co., Ltd. with an amount of \$10,000 with the Group's parent company, Cheng Uei Precision Industry Co., Ltd., and Ubitus Kabushiki Kaisha (Japan). The Group's shareholding ratio is 10%. Subsequently, UbiLink AI Co., Ltd. was renamed as Ubilink.AI CO., Ltd. on November 8, 2024. Shinfox Energy participated in the capital increase of Ubilink.AI CO., Ltd. on July 4, 2025. After the capital increase, the shareholding ratio was adjusted from 10% to 13.2%. Shinfox Energy and the parent company held 13.20% and 53.75% of the shares of Ubilink.AI CO., Ltd, respectively. Therefore, the Group is assessed to have significant influence over Ubilink.AI CO., Ltd. The aforesaid transaction resulted in an adjustment of (\$2,576) in changes of capital surplus.

G. On August 20, 2024, December 5, 2024 and April 28, 2025, the Group participated in the capital increase of Changpin Wind Power Ltd. amounting to \$65,000, \$85,000 and \$100,000, respectively. The shareholding ratio remains at 50% after the capital increase.

H. Changes of the capital surplus of Sharetronic Data Technology Co., Ltd. amounting to \$15,904 and \$27,946, respectively, were recognized by Power Channel Limited, the investee accounted for

under equity method of the Group's sub-subsidiary, ACCU-IMAGE TECHNOLOGY LIMITED for the years ended December 31, 2025 and 2024.

- I. In January 2025, the Group's sub-subsidiary, Shinfox Energy Co., Ltd., acquired a 50% equity interest in Synergy Co., Ltd. for \$800,010, increasing the Group's ownership to 52.3%, thereby making Synergy Co., Ltd. a subsidiary of the Group. As a result of the remeasurement required under accounting standards, the Group recognized a gain on disposal of investment of \$3,274 (recognized under "other gains and losses - gain on disposal of investment") and a decrease in capital surplus of \$2,477
- J. Fujin Energy Technology Co., Ltd. resolved at the Board of Directors' meeting held on July 27, 2025 to conduct a cash capital increase through the issuance of new shares, with August 28, 2025 as the record date for the capital increase. The Group's subsidiary, Foxwell Power, did not subscribe for additional shares in proportion to its shareholding, resulting in a 10% decrease in its equity interest. The above transaction resulted in an adjustment to capital surplus in the amount of \$113.
- K. On December 10, 2025, Billion Power System Technologies INC. has been approved to dissolve by the regulatory authority. The investment amount of \$7,318 (shown as "other receivables") was recovered and a gain on disposal of investment of \$44 was recognized.
- L. For the years ended December 31, 2025 and 2024, as the Group's sub-subsidiary, Shinfox Energy, provided engineering services to the investees, the realized and unrealized profit arising from downstream and sidestream transactions amounting to \$43,193 and \$32,443, respectively, were eliminated and were recorded as a deduction to "investments accounted for using the equity method".
- M. For the year ended December 31, 2024, the Group did not participate in the capital increase of the investee accounted for using equity method, Synergy, proportionately to ownership, and the shareholding ratio decreased to 8.88%. The Group recognised capital surplus according to shareholding ratio amounting to \$2,476. The Group held 1 corporate director seat in Synergy and still has significant influence over Synergy under the assessment.

(9) Property, plant and equipment

	Land	Buildings and structures	Machinery	Office equipment	Ship equipment	Other equipment	Unfinished construction	Total
At January 1, 2025								
Cost	\$ 82,558	\$ 1,147,175	\$ 6,587,075	\$ 134,196	\$ 5,898,922	\$ 896,753	\$ 2,903,751	17,650,430
Accumulated depreciation	-	(197,988)	(3,212,770)	(110,235)	(170,314)	(848,336)	-	(4,539,643)
	<u>\$ 82,558</u>	<u>\$ 949,187</u>	<u>\$ 3,374,305</u>	<u>\$ 23,961</u>	<u>\$ 5,728,608</u>	<u>\$ 48,417</u>	<u>\$ 2,903,751</u>	<u>\$ 13,110,787</u>
<u>2025</u>								
Opening net book amount as at January 1	\$ 82,558	\$ 949,187	\$ 3,374,305	\$ 23,961	\$ 5,728,608	\$ 48,417	\$ 2,903,751	\$ 13,110,787
Additions	-	-	65,870	8,921	-	19,030	9,043,281	9,137,102
Acquired from business combinations	-	-	135,217	403	-	333	30,971	166,924
Disposals	-	(297,778)	(92,369)	(2,922)	-	(42,912)	(3,603)	(439,584)
Reclassifications	-	105,798	93,411	28	6,136,746	69,573	(6,234,512)	171,044
Depreciation charge	-	(23,618)	(304,108)	(10,565)	(389,712)	(46,773)	-	(774,776)
Impairment loss	-	-	-	-	(1,077,910)	-	(86,923)	(1,164,833)
Net exchange differences	-	(1,475)	2,117	(710)	(199,282)	(134)	(118,444)	(317,928)
Closing net book amount as at December 31	<u>\$ 82,558</u>	<u>\$ 732,114</u>	<u>\$ 3,274,443</u>	<u>\$ 19,116</u>	<u>\$ 10,198,450</u>	<u>\$ 47,534</u>	<u>\$ 5,534,521</u>	<u>\$ 19,888,736</u>
At December 31, 2025								
Cost	\$ 82,558	\$ 892,041	\$ 5,174,684	\$ 130,875	\$ 11,841,129	\$ 658,293	\$ 5,621,444	\$ 24,401,024
Accumulated depreciation	-	(159,927)	(1,900,241)	(111,759)	(1,642,679)	(610,759)	(86,923)	(4,512,288)
	<u>\$ 82,558</u>	<u>\$ 732,114</u>	<u>\$ 3,274,443</u>	<u>\$ 19,116</u>	<u>\$ 10,198,450</u>	<u>\$ 47,534</u>	<u>\$ 5,534,521</u>	<u>\$ 19,888,736</u>
	Land	Buildings and structures	Machinery	Office equipment	Ship equipment	Other equipment	Unfinished construction	Total
At January 1, 2024								
Cost	\$ 82,558	\$ 1,237,696	\$ 4,339,041	\$ 126,672	\$ 303,319	\$ 911,750	\$ 4,830,878	11,831,914
Accumulated depreciation	-	(183,500)	(3,219,684)	(106,304)	(7,583)	(857,399)	-	(4,374,470)
	<u>\$ 82,558</u>	<u>\$ 1,054,196</u>	<u>\$ 1,119,357</u>	<u>\$ 20,368</u>	<u>\$ 295,736</u>	<u>\$ 54,351</u>	<u>\$ 4,830,878</u>	<u>\$ 7,457,444</u>
<u>2024</u>								
Opening net book amount as at January 1	\$ 82,558	\$ 1,054,196	\$ 1,119,357	\$ 20,368	\$ 295,736	\$ 54,351	\$ 4,830,878	\$ 7,457,444
Additions	-	2,946	37,706	15,530	-	27,262	5,899,672	5,983,116
Disposals	-	-	(13,986)	(2,664)	-	(212)	-	(16,862)
Reclassifications	-	(108,060)	2,497,679	-	5,460,612	(2,447)	(7,936,421)	(88,637)
Depreciation charge	-	(25,368)	(255,411)	(9,833)	(158,887)	(50,023)	-	(499,522)
Net exchange differences	-	25,473	(11,040)	560	131,147	19,486	109,622	275,248
Closing net book amount as at December 31	<u>\$ 82,558</u>	<u>\$ 949,187</u>	<u>\$ 3,374,305</u>	<u>\$ 23,961</u>	<u>\$ 5,728,608</u>	<u>\$ 48,417</u>	<u>\$ 2,903,751</u>	<u>\$ 13,110,787</u>
At December 31, 2024								
Cost	\$ 82,558	\$ 1,147,175	\$ 6,587,075	\$ 134,196	\$ 5,898,922	\$ 896,753	\$ 2,903,751	\$ 17,650,430
Accumulated depreciation	-	(197,988)	(3,212,770)	(110,235)	(170,314)	(848,336)	-	(4,539,643)
	<u>\$ 82,558</u>	<u>\$ 949,187</u>	<u>\$ 3,374,305</u>	<u>\$ 23,961</u>	<u>\$ 5,728,608</u>	<u>\$ 48,417</u>	<u>\$ 2,903,751</u>	<u>\$ 13,110,787</u>

A. Amount of borrowing costs capitalized as part of property, plant and equipment and the range of the interest rates for such capitalization are as follows:

	Year ended December 31,	
	2025	2024
Amount capitalised	\$ 7,708	\$ 24,453
Range of the interest rates for capitalisation	1.758%~1.81%	1.600%~2.689%

B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

- C. Details of impairment of the property, plant and equipment is provided in Note 6(14).
- D. The amount of interests capitalised consists of the necessary expenses during the development of the power plants until it reaches the usable condition or the completion condition, which was shown as unfinished construction.

(10) Leasing arrangements - lessee

- A. The Group leases various assets including land, buildings, multifunction printers, land for solar energy equipment and energy storage equipment and business vehicles. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes. In addition, the Group bears the obligation of dismantling the solar-energy modules and the panel mounting equipment in accordance with Standard Procedures for Managing and Using the Expenses and Income of Recycling Solar Photovoltaic Power Generation Facilities and Modules as well as the regulations of lease contracts. Please refer to Note 6(24) for the related decommissioning liabilities.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2025	December 31, 2024
	Carrying amount	Carrying amount
Land	\$ 932,684	\$ 1,985,536
Buildings	251,172	228,920
Machinery and equipment	4,894	-
Transportation equipment (Business vehicles)	6,114	6,141
Office equipment (Photocopiers)	280	165
	<u>\$ 1,195,144</u>	<u>\$ 2,220,762</u>
	Year ended December 31,	
	2025	2024
	Depreciation charge	Depreciation charge
Land	\$ 64,235	\$ 42,884
Buildings	92,281	97,756
Machinery and equipment	81	-
Transportation equipment (Business vehicles)	3,752	3,013
Office equipment (Photocopiers)	136	44
Less: Capitalisation of depreciation	(42,090)	(23,235)
	<u>\$ 118,395</u>	<u>\$ 120,462</u>

- C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$36,378 and \$1,705,714, respectively.
- D. The Group acquired 51% of the equity interest in Synergy Co., Ltd. and obtained control in

January 2025. The fair values of the right-of-use assets and the lease liabilities at the acquisition date were \$3,752 and \$3,993, respectively.

- E. In April 2025 and May 2025, the Group's sub-subsidiary, Foxwell Power Co., Ltd., acquired 100% equity interests in Billion Sun Energy Storage Technologies Inc. and Huijie Energy Co., Ltd., respectively. The fair values of the right-of-use assets and lease liabilities at the acquisition dates were both \$626,492.
- F. In July 2025, the Group's sub-subsidiary, Foxwell Power Co., Ltd., acquired 51% of Smart Power System and obtained control. The fair values of the right-of-use assets and the lease liabilities at the acquisition date were \$1,877 and \$1,937, respectively.
- G. The Group's sub-subsidiary, Jiuwei Power, and the lessor of Tree Valley Park terminated the land lease agreement on February 27, 2025 due to force majeure factors, resulting in a decrease in right-of-use assets and lease liabilities by \$1,581,979 and \$1,588,518, respectively.
- H. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	(\$ 18,816)	(\$ 19,333)
Expense on short-term lease contracts	(520,898)	(66,952)
Expense on leases of low-value assets	(3,793)	(2,902)
Expense on variable lease payments	(5,862)	(6,202)
Gain on sublease of right-of-use assets	38	834
Profit from lease modification	7,317	1

- I. For the years ended December 31, 2025 and 2024, the Group's total cash outflows for leases were \$669,908 and \$256,511, respectively.
- J. Variable lease payments
- (a) Some of the Group's lease contracts contain variable lease payment terms that are linked to sales generated from electricity sold. For aforementioned contracts, up to 1.06% ~ 2.44% of lease payments are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons and various lease payments that depend on sales are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.
- (b) A 1% increase in the amount of sales of electricity with such variable lease contracts would increase total lease payments by approximately \$59.
- K. The Group entered into the lease agreement for leased national afforestation land with the Hualien Branch of the Forestry and Nature Conservation Agency, Ministry of Agriculture. The main contents are as follows:
- (a) Lease period: From May 8, 2024 to April 9, 2028. Provided there are no violations of the lease agreement, the Group has priority to renew the lease agreement upon expiration.

- (b) Restrictions on the purpose: The leased forest land is limited to afforestation, and the Group has the duty of conducting the matters in accordance with the “Directions for the Leased Afforestation Land in the Areas of National Forest” and the related regulations.
- (c) Afforestation products: To cut and harvest products on the leased forest shall be applied through the projects to the leasing authority and can only be conducted after obtaining approval. The ownership of the standing trees belongs to the Hualien Branch of the Forestry and Nature Conservation Agency, Ministry of Agriculture.

(11) Leasing arrangements – lessor

A. Operating lease

- (a) The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 1 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- (b) For the years ended December 31, 2025 and 2024, the Group recognised rent income in the amounts of \$78,760 and \$82,735, respectively, based on the operating lease agreement, which does not include variable lease payments.
- (c) The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
2025	\$ -	\$ 14,767
2026	14,827	14,686
2027	10,928	10,871
2028	7,056	7,056
2029	5,292	5,292
	<u>\$ 38,103</u>	<u>\$ 52,672</u>

B. Finance lease

- (a) The Group leases various assets including energy-saving equipment, right-of-use assets and natural gas storage facilities. Rental contracts are made for periods of 2 to 6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- (b) The Group leases certain machinery and right-of-use assets under finance leases. Based on the terms of the lease contract, the ownership of such assets will be transferred to lessees when the leases expire. Information on profit or loss in relation to lease contracts is as follows:

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Sales profit	\$ -	\$ 9,830
Finance income from the net investment in the finance lease	1,081	169
	<u>\$ 1,081</u>	<u>\$ 9,999</u>

(c) The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Within 1 year	\$ 28,080	\$ 28,080
Within 2 years	1,786	28,080
Within 3 years	-	1,787
	<u>\$ 29,866</u>	<u>\$ 57,947</u>

(d) Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Current</u>	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>
Undiscounted lease payments	\$ 28,080	\$ 1,786	\$ 28,080	\$ 29,867
Unearned finance income	(406)	(16)	(1,080)	(424)
Net investment in the lease	<u>\$ 27,674</u>	<u>\$ 1,770</u>	<u>\$ 27,000</u>	<u>\$ 29,443</u>

(e) As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the finance lease receivables under finance lease held by the Group were \$29,444 and \$56,443, respectively.

(f) The Group has no overdue lease receivables from the lessee (shown as “accounts receivable” and “other non-current assets”), and the amount of loss arising from credit risk is assessed to be insignificant. Information relating to credit risk of lease payments receivable is provided in Note 12(2).

(12) Investment property

	Land	Buildings and structures	Total
At January 1, 2025			
Cost	\$ 344,587	\$ 188,965	\$ 533,552
Accumulated depreciation	-	(40,028)	(40,028)
	<u>\$ 344,587</u>	<u>\$ 148,937</u>	<u>\$ 493,524</u>
<u>2025</u>			
Opening net book amount as at January 1	\$ 344,587	\$ 148,937	\$ 493,524
Reclassifications	-	(109,976)	(109,976)
Depreciation charge	-	(5,503)	(5,503)
Closing net book amount as at December 31	<u>\$ 344,587</u>	<u>\$ 33,458</u>	<u>\$ 378,045</u>
At December 31, 2025			
Cost	\$ 344,587	\$ 62,039	\$ 406,626
Accumulated depreciation	-	(28,581)	(28,581)
	<u>\$ 344,587</u>	<u>\$ 33,458</u>	<u>\$ 378,045</u>
	Land	Buildings and structures	Total
At January 1, 2024			
Cost	\$ 344,587	\$ 71,458	\$ 416,045
Accumulated depreciation	-	(32,855)	(32,855)
	<u>\$ 344,587</u>	<u>\$ 38,603</u>	<u>\$ 383,190</u>
<u>2024</u>			
Opening net book amount as at January 1	\$ 344,587	\$ 38,603	\$ 383,190
Reclassifications	-	117,507	117,507
Depreciation charge	-	(7,173)	(7,173)
Closing net book amount as at December 31	<u>\$ 344,587</u>	<u>\$ 148,937</u>	<u>\$ 493,524</u>
At December 31, 2024			
Cost	\$ 344,587	\$ 188,965	\$ 533,552
Accumulated depreciation	-	(40,028)	(40,028)
	<u>\$ 344,587</u>	<u>\$ 148,937</u>	<u>\$ 493,524</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Year ended December 31	
	2025	2024
Rental income from investment property	\$ 27,744	\$ 31,711
Direct operating expenses arising from the investment property that generated rental income during the year	\$ 5,503	\$ 7,173

B. The fair value of the investment property held by the Group as at December 31, 2025 and 2024 was \$831,996, which was valued by external independent appraisers. Valuations were made using the comparison, income and cost approach.

C. Information about the investment property that was pledged to others as collaterals is provided in Note 8.

(13) Intangible assets

	Goodwill	Customer relationship	Trademarks	Others	Total
At January 1, 2025					
Cost	\$ 1,058,961	\$ 197,637	\$ 56,404	\$ 125,060	\$1,438,062
Accumulated amortisation and impairment	(127,272)	(133,296)	-	(83,225)	(343,793)
	<u>\$ 931,689</u>	<u>\$ 64,341</u>	<u>\$ 56,404</u>	<u>\$ 41,835</u>	<u>\$1,094,269</u>
2025					
Opening net book amount as at January 1	\$ 931,689	\$ 64,341	\$ 56,404	\$ 41,835	\$1,094,269
Additions-acquired separately	-	-	-	7,456	7,456
Additions-acquired through business combinations	241,234	166,678	-	177,872	585,784
Amortisation charge	-	(70,424)	-	(28,044)	(98,468)
Impairment loss	(49,878)	-	-	-	(49,878)
Net exchange differences	(10,769)	-	(2,241)	(275)	(13,285)
Closing net book amount as at December 31	<u>\$ 1,112,276</u>	<u>\$ 160,595</u>	<u>\$ 54,163</u>	<u>\$ 198,844</u>	<u>\$1,525,878</u>
At December 31, 2025					
Cost	\$ 1,289,426	\$ 364,315	\$ 54,163	\$ 318,103	\$2,026,007
Accumulated amortisation and impairment	(177,150)	(203,720)	-	(119,259)	(500,129)
	<u>\$ 1,112,276</u>	<u>\$ 160,595</u>	<u>\$ 54,163</u>	<u>\$ 198,844</u>	<u>\$1,525,878</u>

	<u>Goodwill</u>	<u>Customer relationship</u>	<u>Trademarks</u>	<u>Others</u>	<u>Total</u>
At January 1, 2024					
Cost	\$ 1,031,255	\$ 197,637	\$ 50,765	\$ 113,296	\$1,392,953
Accumulated amortisation and impairment	<u>-</u>	<u>(68,956)</u>	<u>-</u>	<u>(69,312)</u>	<u>(138,268)</u>
	<u>\$ 1,031,255</u>	<u>\$ 128,681</u>	<u>\$ 50,765</u>	<u>\$ 43,984</u>	<u>\$1,254,685</u>
<u>2024</u>					
Opening net book amount as at January 1	\$ 1,031,255	\$ 128,681	\$ 50,765	\$ 43,984	\$1,254,685
Additions-acquired separately	-	-	2,200	13,833	16,033
Amortisation charge	-	(64,340)	-	(17,617)	(81,957)
Impairment loss	(127,272)	-	-	-	(127,272)
Net exchange differences	<u>27,706</u>	<u>-</u>	<u>3,439</u>	<u>1,635</u>	<u>32,780</u>
Closing net book amount as at December 31	<u>\$ 931,689</u>	<u>\$ 64,341</u>	<u>\$ 56,404</u>	<u>\$ 41,835</u>	<u>\$1,094,269</u>
At December 31, 2024					
Cost	\$ 1,058,961	\$ 197,637	\$ 56,404	\$ 125,060	\$1,438,062
Accumulated amortisation and impairment	<u>(127,272)</u>	<u>(133,296)</u>	<u>-</u>	<u>(83,225)</u>	<u>(343,793)</u>
	<u>\$ 931,689</u>	<u>\$ 64,341</u>	<u>\$ 56,404</u>	<u>\$ 41,835</u>	<u>\$1,094,269</u>

A. Goodwill and trademark right (indefinite useful life) are allocated as follows to the Group's cash-generating units identified according to operating segment:

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Goodwill</u>	<u>Trademarks</u>	<u>Goodwill</u>	<u>Trademarks</u>
System and peripheral products	\$ 611,760	\$ -	\$ 611,760	\$ -
3C retail and peripheral products	249,763	51,963	260,532	54,204
Energy service management	<u>250,753</u>	<u>2,200</u>	<u>59,397</u>	<u>2,200</u>
	<u>\$ 1,112,276</u>	<u>\$ 54,163</u>	<u>\$ 931,689</u>	<u>\$ 56,404</u>

B. The Group's goodwill arose from business combinations in order to improve benefit comprising of potential customer relations and operating revenue in the location of acquired companies.

C. Details of impairment of intangible assets are provided in Note 6(14).

(14) Impairment of non-financial assets

- A. The Group recognised impairment loss for the years ended December 31, 2025 and 2024 were \$1,310,134 and \$127,272, respectively. Details of such loss are as follows:

	Year ended December 31, 2025	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss — ship equipment	\$ 1,077,910	\$ -
Impairment loss — prepayments	95,423	-
Impairment loss — goodwill	49,878	-
Impairment loss — unfinished construction	86,923	-
	<u>\$ 1,310,134</u>	<u>\$ -</u>

	Year ended December 31, 2024	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss — goodwill	<u>\$ 127,272</u>	<u>\$ -</u>

- B. The impairment loss reported by operating segments is as follows:

	Year ended December 31, 2025	
	Recognised in profit or loss	Recognised in other comprehensive income
Energy service management	\$ 1,310,134	\$ -
3C retail and peripheral products	-	-
	<u>\$ 1,310,134</u>	<u>\$ -</u>

	Year ended December 31, 2024	
	Recognised in profit or loss	Recognised in other comprehensive income
Energy service management	\$ 39,528	\$ -
3C retail and peripheral products	87,744	-
	<u>\$ 127,272</u>	<u>\$ -</u>

- C. The Group's sub-subsidiary, Jiuwei Power, and the lessor of Tree Valley Park terminated the land lease agreement on February 27, 2025 due to force majeure factors. The Group assessed that the necessary expenditures originally incurred do not have economic benefits based on the future operation plan and the current situation of the gas-fired power plant. As a result, impairment loss of \$182,346 (recorded as "other gains and losses") was recognised for the year ended December 31, 2025.
- D. The Group evaluated the impairment of recoverable amount of the goodwill arising from the acquisition of Shinfox Far East Company Pte. Ltd. (SFE) at each reporting date and used the value-in-use calculation as basis for recoverable amount. These calculations are based on the

future cash flow projections. Due to the fact that SFE's operational performance and the growth of profit are not as expected, an impairment loss of \$49,878 (recorded as "other gains and losses") was recognized as the recoverable amount is less than the carrying amount based on the Group's assessment for the year ended December 31, 2025.

- E. The Group's sub-subsidiary, SFE, is engaged in the ocean freight forwarders. Due to the effect of the external competitive environment for shipping construction and installation and unfavorable macroeconomic environment, the Group assesses the impairment of the ship equipment by using the ship valuation report issued by the external specialists appointed by management and considering future operation plan. The Group recognized impairment loss amounting to \$1,077,910 (recorded as "other gains and losses") for the year ended December 31, 2025.
- F. For the year ended December 31, 2024, the decrease in the estimated future cash inflow due to unfavorable changes incurred in the market that resulted in an impairment in the intangible assets of the Group's 3C component department. The Group wrote down the carrying amount of the asset based on the recoverable amount and recognized an impairment loss of \$87,744 (shown as 'other gains and losses') accordingly. The recoverable amount was determined based on value in use of the intangible assets. The main assumptions used in calculating value in use are set out below.
- (a) Operating revenue growth rate: taking into consideration the related market information and the estimated operation and sales plans.
 - (b) Gross margin: calculated based on the historical data and taking into consideration the estimated operation and sales plans.
 - (c) Discount rate: referred to weighted average capital cost and reflected risk premium of the intangible assets. For the year ended December 31, 2024, the discount rate was between 11.85%~20.13%.
- G. The operating synergy of the Group's energy service management department did not reach the Group's expectation, thus, the growth of operating income of Elegant Energy was lower than expected. Accordingly, the Group recognised impairment loss on goodwill amounting to \$39,528 (shown as 'other gains and losses') since the recoverable amount of the cash-generating units was less than the carrying amount for the year ended December 31, 2024.

(15) Other non-current assets, others

	December 31, 2025	December 31, 2024
Guarantee deposits paid (Note)	\$ 675,625	\$ 466,793
Net defined benefit asset	126,012	113,052
Other non-current assets	75,700	44,746
	<u>\$ 877,337</u>	<u>\$ 624,591</u>

Note: Please refer to Note 8.

(16) Short-term borrowings

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 8,194,977	1.89%~6.97%	None Please refer to Note 8
Secured borrowings	3,938,320	1.73%~5.78%	
	<u>\$ 12,133,297</u>		

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 3,746,997	1.88%~2.63%	None Please refer to Note 8
Secured borrowings	1,688,680	2.20%~6.97%	
	<u>\$ 5,435,677</u>		

- A. As of October 30, 2024, the borrowing agreement between the Group's second-tier subsidiary, SFE, and KGI Bank amounted to \$48,000 thousand, which was jointly guaranteed by the Group's second-tier subsidiary, Shinfox Energy.
- B. As of March 17, 2025, the borrowing agreement between the Group's sub-sub-subsidiary, SFE, and Mega Bank amounted to US\$7,000 thousand, which was jointly guaranteed by the Group's sub-sub-subsidiary, Shinfox Energy, and the ship equipment was pledged as collateral.
- C. As of March 21, 2025, the borrowing agreement between the Group's sub-sub-subsidiary, SFE, and Bank SinoPac amounted to US\$12,000 thousand, which was jointly guaranteed by the Group's sub-sub-subsidiary, Shinfox Energy.
- D. As of April 7, 2025, the borrowing agreement between the Group's sub-sub-subsidiary, SFE, and Shin Kong Commercial Bank amounted to US\$15,000 thousand, which was jointly guaranteed by the Group's sub-sub-subsidiary, Shinfox Energy.

(17) Short-term notes and bills payable

	December 31, 2025	December 31, 2024
Commercial papers	\$ 4,922,400	\$ 4,523,200
Discount amortisation	(9,974)	(6,728)
	<u>\$ 4,912,426</u>	<u>\$ 4,516,472</u>
Interest rate range	<u>2.01%~3.42%</u>	<u>2.02%~2.93%</u>

- A. The abovementioned payables on commercial papers were guaranteed and issued by Mega Bills Finance Co., Ltd., Taiwan Cooperative Bills Finance Corporation and Dah Chung Bills Finance Corporation.
- B. The Group's sub-sub-subsidiary, Foxwell Energy, signed commercial paper agreements in the year 2025 with Mega Bills Finance Co., Ltd., amounting to \$1,150,000. The guarantee agreements are jointly guaranteed by the Group's sub-sub-subsidiary, Shinfox Energy.

C. Youde signed commercial paper agreements in the year 2025 with Mega Bills Finance Co., Ltd., amounting to \$560,000. The guarantee agreements are jointly guaranteed by the Group's sub-subsidiary, Shinfox Energy.

D. The Group's subsidiaries, PQI, signed commercial paper agreements with Mega Bills Finance Co., Ltd. and Taiwan Cooperative Bills Finance Corporation amounting to \$400,000. The guarantee agreements are jointly guaranteed by the Company.

E. The Group has no short-term notes and bills borrowing payable pledged as collateral.

(18) Other accounts payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Payable on salary and bonus	\$ 645,204	\$ 574,306
Payable on equipment	634,533	200,384
Payable on employees' compensation and directors' and supervisors' remuneration	255,087	316,654
Interest payable	102,074	41,073
Others	328,981	273,686
	<u>\$ 1,965,879</u>	<u>\$ 1,406,103</u>

(19) Bonds payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Payable on secured convertible bonds	\$ 2,031,800	\$ 2,031,800
Less: Discount on bonds payable	(3,516)	(55,275)
Less: Current portion or exercise of put options	(2,028,284)	-
	<u>\$ -</u>	<u>\$ 1,976,525</u>

A. The terms of the first domestic secured convertible bonds issued by the subsidiary, Shinfox Energy of the Group are as follows:

- (a) Shinfox Energy issued \$3,000,000, 0% first domestic secured convertible bonds, as approved by the regulatory authority. The bonds mature three years from the issue date (November 22, 2023 ~ November 22, 2026) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on November 22, 2023.
- (b) The bondholders have the right to ask for conversion of the bonds into common shares of Shinfox Energy during the period from the date after three months of the bonds issue before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- (c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds. The conversion price on the date of the bonds issue amounted to NT\$114. Starting from August 26, 2024, the aforementioned conversion price was reset to NT\$113 in accordance with the terms. For the year ended December 31, 2024, the bondholders applied for exercising the conversion of the bonds amounting to \$968,200 to exchange 8,493 thousand

ordinary shares, and the exercise of the conversion options resulted in an increase of \$214,399 in capital surplus and an increase in the non-controlling interests by \$708,057. The abovementioned conversion price had been reset to NT\$105 (in dollars) in terms of the regulations starting from August 29, 2025 (the effective date of price resetting).

- (d) Shinfox Energy may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of Shinfox Energy common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
 - (e) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- B. Regarding the issuance of convertible bonds, the equity conversion options were separated from the liability component in accordance with IAS 32. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in \$0 of 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation ranged at 1.7688%.

(20) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2025
Long-term bank borrowings				
Bank unsecured borrowings				
FIT Holding				
- including covenants	Borrowing period is from January 2025 to December 2027; pay entire amount of principal when due, interest is repayable monthly.	2.16%~2.20%	\$ 1,132,000	\$ 500,000
- without covenants	Borrowing period is from May 2023 to September 2028; pay entire amount of principal when due, interest is repayable monthly.	1.98%~2.23%	150,000	950,000
Foxlink Image				
- including covenants	Borrowing period is from January 2025 to December 2027; pay entire amount of principal when due, interest is repayable monthly.	2.08%~2.18%	1,000,000	1,350,000
- without covenants	Borrowing period is from March 2025 to August 2028; pay entire amount of principal when due, interest is repayable monthly.	1.95%~2.05%	860,000	2,640,000
PQI				
- including covenants	Borrowing period is from January 2025 to January 2027; pay principal based on each bank's regulations, interest is repayable monthly.	2.41%	200,000	300,000
- without covenants	Borrowing period is from December 2024 to November 2028; pay principal based on each bank's regulations, interest is repayable monthly.	2.23%~2.67%	-	860,000
Glory Science				
- without covenants	Borrowing period is from January 24, 2025 to December 23, 2026; pay principal and interest based on each bank's regulations.	2.44%	-	55,000

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2025
Long-term bank borrowings				
Bank unsecured borrowings				
Shinfox - without covenants	Borrowing period is from November 2024 to June 2032; pay entire amount in installments.	2.09%~2.14%	480,000	880,000
Foxwell Energy - without covenants	Borrowing period is from December 2018 to December 2028; pay entire amount in installments.(Note 3)	2.41%~2.80%	308,319	2,220,035
Foxwell Power - including covenants	Borrowing period is from October 2022 to July 2029; pay entire amount in installments.	2.73%	-	410,112
- without covenants	Borrowing period is from June 2024 to June 2029; pay entire amount in installments.	2.67%~2.74%	46,250	123,750
Synergy - without covenants	Borrowing period is from November 2024 to November 2027; pay entire amount in installments.	0.5%~2.22%	1,458	33,542
SFET - without covenants	Borrowing period is from July 2025 to July 2030; pay entire amount in installments.	4.32%	-	259,367
Bank secured borrowings				
Foxwell Energy	Borrowing period is from May 2018 to December 2035; pay entire amount in installments.	2.41%~2.46%	205,776	143,699
Foxwell Power	Borrowing period is from October 2022 to July 2029; pay entire amount in installments.(Note 1)	2.73%	-	1,162,778

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2025
Long-term bank borrowings				
Bank unsecured borrowings				
Synergy	Borrowing period is from January 2024 to March 2039; pay entire amount in installments.	2.36%	751,342	59,134
Kunshan Jiuwei	Borrowing period is from March 2025 to March 2030; pay entire amount in installments.	3.50%~5.50%	16,867	50,207
SFET	Borrowing period is from June 2025 to June 2030; pay entire amount in installments.	3.75%	-	561,113
Syndicated borrowings				
Foxwell Energy	Borrowing period is from July 2024 to March 2026; pay entire amount of principal when due.	4.05%	6,910,067 (Note 2)	7,464,933
SFED	Borrowing period is from April 2025 to April 2030; pay entire amount of principal when due.	6.19%~6.50%	-	4,714,500
Other secured borrowings				
SFE	Borrowing period is from May 2024 to May 2026; pay entire amount in installments.	5.72%~6.36%	-	2,842,942
				27,581,112
Less: Current portion			(	17,023,535)
Less: Syndicated expense			(	121,024)
			\$	<u>10,436,553</u>

Note 1: The Group's sub-subsidiary, Foxwell Power, negotiated with the bank to extend the borrowing period of secured borrowings during the first quarter of 2025.

Note 2: As of December 31, 2025, Foxwell Energy violated the financial commitment terms specified in the syndicated borrowing contract. Consequently, the banking group suspended the use of the undrawn credit line.

Note 3: Foxwell Energy negotiated with the King's Town Bank to extend the borrowing period during the second quarter of 2025.

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2024
Long-term bank borrowings				
Bank unsecured borrowings				
FIT Holding				
- including covenants	Borrowing period is from October 2024 to November 2026; pay entire amount of principal when due, interest is repayable monthly.	2.04%~2.10%	\$ 1,000,000	\$ 500,000
- without covenants	Borrowing period is from May 2023 to December 2027; pay entire amount of principal when due, interest is repayable monthly.	1.95%~2.23%	-	1,400,000
Foxlink Image				
- including covenants	Borrowing period is from September 2024 to November 2026; pay entire amount of principal when due, interest is repayable monthly.	2.08%	1,600,000	300,000
- without covenants	Borrowing period is from November 2023 to September 2026; pay entire amount of principal when due, interest is repayable monthly.	1.93%~2.06%	1,200,000	1,750,000
PQI				
- including covenants	Borrowing period is from November 2024 to January 2027; pay principal based on each bank's regulations, interest is repayable monthly.	2.30%~2.41%	-	500,000
- without covenants	Borrowing period is from June 2022 to June 2026; pay principal based on each bank's regulations, interest is repayable monthly.	2.13%~2.23%	100,000	800,000
Shinfox				
- without covenants	Interest is repayable monthly from November 2024 to November 2026; pay entire amount of principal when due.	2.09%	-	400,000
Glory Science				
- without covenants	Borrowing period is from December 23, 2024 to December 23, 2026; pay principal and interest based on each bank's regulations.	2.44%	-	60,000

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2024
Long-term bank borrowings				
Bank unsecured borrowings				
Foxwell Energy - without covenants	Borrowing period is from December 2018 to March 2029; pay entire amount in installments.	2.36%~2.80%	281,666	2,329,270
Foxwell Power - including covenants	Borrowing period is from October 2022 to July 2029; pay entire amount in installments.	2.99%~3.13%	-	457,753
- without covenants	Borrowing period is from June 2024 to June 2029; pay entire amount in installments.	2.67%	-	50,000
Bank secured borrowings				
Foxwell Energy	Borrowing period is from May 2018 to March 2029; pay entire amount in installments.	2.36%~2.84%	224,428	194,704
Foxwell Power	Borrowing period is from October 2022 to September 2028; pay entire amount in installments.	2.99%~3.13%	-	1,307,851
Syndicated borrowings				
Foxwell Energy	Borrowing period is from July 2024 to March 2026; pay entire amount of principal when due.	3.74%~4.04%	1,079,051	13,295,949
Other secured borrowings				
SFE	Borrowing period is from June 2024 to May 2026; pay entire amount in installments.	6.55%~7.34%	-	3,308,027
				26,653,554
Less: Current portion			(	971,188)
Less: Syndicated expense			(	166,451)
			\$	<u>25,515,915</u>

- A.(1) The Company and the Group's subsidiaries, Foxlink Image and PQI, entered into the borrowing contracts with Bank SinoPac, EnTie Bank, Far Eastern International Bank, Taishin Bank and Yuanta Commercial Bank, and the total credit line is \$2,850,000. As of December 31, 2025, the borrowings that have been used amounted to \$2,150,000. In the duration period of these contracts, the financial ratios in the semi-annual consolidated and annual consolidated financial statements shall be as follows:
- (a) Current assets to current liabilities ratio of at least 80% to 100%;
 - (b) Liabilities not exceeding 110% to 200% of tangible net equity;
 - (c) Interest coverage of at least 300% to 500%;
 - (d) Debt not exceeding 75% of total assets;
 - (e) Tangible net equity of at least NT\$1,500,000 thousand to NT\$8,000,000 thousand; and
 - (f) Net equity of at least NT\$1,800,000 thousand to NT\$2,000,000 thousand.
- (2) As of December 31, 2025, the Group did not meet the above requirements in the relevant loan agreements with respect to net equity and the net debt-to-equity ratio. Accordingly, the related loan amounts were reclassified as current liabilities. As of March 30, 2026, the banks had not requested early repayment of the loans. As of December 31, 2024, the Company was not violated the terms of the contracts entered with the abovementioned banks.
- B. The Group's second-tier subsidiary, Shinfox Energy, entered into a medium and long-term loan agreement for a credit line of \$400,000 with The Export-Import Bank of the Republic of China on October 28, 2024. The main contents are as follows:
- (a) Purpose of borrowing: Provided the working capital for Shinfox Energy to contract the development, construction and operation and maintenance of the domestic renewable energy power plants.
 - (b) Tenure of borrowing: From October 28, 2024 to November 9, 2026. The financing period is 2 years from the drawing date.
 - (c) Repayment:
 - i. Principal: Paid in full amount at the maturity date of tenure of borrowing.
 - ii. Interest: The first interest collection date would be on the 21st of the month following the first drawing date, and thereafter interest collection date would be on the 21st of each month. The interest rate would be adjusted every three months from the first interest collection date.
- C. The Group's second-tier subsidiary, Shinfox Energy, entered into a medium and long-term loan agreement for a credit line of \$960,000 with The Export-Import Bank of the Republic of China on March 11, 2024. The main contents are as follows:
- (a) Purpose of borrowing: Provided the capital for Shinfox Energy to invest in the equity

interest of the renewable energy companies in Vietnam.

(b) Borrowing period: 7 years from the first drawing date.

(c) Repayment:

i. Principal: The first installment is 60 months after the first disbursement date, and after that, the principal is repayable every 6 months in 5 installments.

ii. Interest: Interest is collected every three months and the interest rate may be adjusted every six months.

D. On March 7, 2022, the long-term borrowing agreement between the Group's second-tier subsidiary, Foxwell Power Co., Ltd., and Taishin bank stipulates that the Group shall annually review the financial ratios to maintain a current ratio not less than 150%, a net debt-to-equity ratio not more than 200% and a net asset value not less than \$800,000 before July 31 during the facility period each year. Additionally, the Group is required to review the shareholding ratio of the ultimate parent company and the parent company on a semi-annual basis.

Additionally, on February 29, 2024, Foxwell Power obtained a credit line approval letter from Taishin Bank. In addition, Foxwell Power entered into the long-term borrowing agreement with Taishin Bank amounting to \$1,845,000 on June 5, 2024. The agreement stipulates the Group shall semi-annually review the financial ratios based on the consolidated financial statements issued by an independent auditor to maintain a current ratio not less than 100%, a net debt-to-equity ratio not higher than 250%, a net asset value not less than \$900,000 and interest coverage ratio DSCR (Debt Service Coverage Ratio) shall not be less than 1.05 times. Additionally, the Group is required to review the shareholding ratio of the ultimate parent company and the parent company on a semi-annual basis, if the financial ratios do not meet the aforementioned financial ratios, a 0.15% interest rate will be added. As of December 31, 2025, Shinfox Energy's shareholding in Foxwell Power decreased to 49.36%, which was in breach of the aforementioned loan agreements. According to the terms, Shinfox Energy is required to submit the specific improvement measures to the lending banks. The banks may suspend lending the related amounts and suspend the right to draw any credit line. As of March 30, 2026, the lending banking syndicate was still conducting internal discussions and assessments and had not yet taken any action regarding the breach of financial commitments

E. On October 3, 2022, the Group's second-tier subsidiary, Foxwell Power entered into a syndicated contract for a credit line of \$1,750,000 with 3 financial institutions including O-Bank, etc. The credit line is divided into item A and item B. As of December 31, 2023, the drawn credit line were all item A. The purpose of item B is to repay the outstanding balance of item A for the Company, and thus when the preconditions for the first drawdown of credit item B are met, the credit line of item A will be converted into the borrowing of item B. The financial commitments related to item B are as follows:

(a) Foxwell Power committed to review the latest six months' or twelve months' revenue from ancillary services on a semi-annual or annual basis after the site of the project has been

qualified to trade on the energy trading platform and the first settlement amount of ancillary services revenue has been remitted to the reserve account. The interest rate will be adjusted by 0.1% if the cumulative number of times did not meet the above requirement of which the revenue reached 80% of the average monthly income listed in the “Estimated statement of annual gain and loss and cash flow”.

- (b) Foxwell Power committed to review the DSCR (Debt Service Coverage Ratio) semi-annually based on the revenue from ancillary services and the principal and interest amount for the last twelve months from the date the first monthly settlement amount of ancillary services revenue for the site of project has been remitted to the reserve account for a full twelve months. The Group should repay the principal in advance within three months or by other appropriate means as agreed by the management bank, so that the DSCR will not be lower than 1.1 times.

Foxwell Power entered into a syndicated contract with 3 financial institutions including O-Bank, etc. The borrowings had been fully settled in July 2024, and the related quotas of the syndicated loan had been fully cancelled with the early termination loss amounting to (\$10,937). For details of the related gains and losses, please refer to Note 6(30).

- F. On March 10, 2023, the Group’s second-tier subsidiary, Foxwell Energy entered into a loan agreement with 11 banks including CTBC bank for a credit line of \$6,720,000, and on January 29, 2024, the supplemental contract was signed, and the credit line was changed to \$3,360,000. During the contract period, the company is required to have net tangible assets in the consolidated financial statements not lower than \$6,000,000 and maintain shareholding ratio of the parent company on a semi-annual basis. The syndicated borrowing was jointly guaranteed by the Company, and the amount of \$622,405 has been drawn down in May 2024. As of June 30, 2024, the borrowings had been matured and settled.
- G. In July, 2024, the Group’s second-tier subsidiary, Foxwell Energy entered into a syndicated contract for a credit line of \$20,906,540 with 9 financial institutions including CTBC Bank Co., Ltd., KGI Bank Co., Ltd. and Bank of Taiwan, etc. The credit line is divided into item A and item B. The main contents are as follows:
 - (a) Purpose of borrowing:
 - i. Item A: Provide the required performance guarantees or prepayment guarantees for Foxwell Energy to apply for the issuance of the project contracts.
 - ii. Item B: Provide the required working capital for the construction projects of Foxwell Energy.
 - (b) Tenure of borrowing: From the first drawing date to March 31, 2026. However, there is no default or no expected default occurred, and the related conditions are met during the contract periods, the application of extension can be submitted in six months before the tenure of the borrowing.

(c) Duration of credit utilisation:

- i. Credit item A: The original credit line was \$7,100,000, which must be drawn in installments or in full, and the credit line was non-revolving. The undrawn portion on the first drawing date shall be automatically cancelled. In August 2024, Foxwell Energy cancelled the undrawn credit line of credit item A amounting to \$568,460. As of December 31, 2025, the borrowing facilities that have been drawn down amounted to \$6,531,540, which has been fully drawn down.
- ii. Credit item B: The credit line is \$14,375,000 and it can be revolving as stipulated in the contract. However, the cumulative drawn amount shall not exceed \$28,500,000. As of December 31, 2025, the undrawn borrowing facilities amounted to \$6,910,067.

(d) Repayment:

- i. Item A: The guarantee liabilities of the syndicated banking group under the construction guarantee letters will be terminated upon the completion and acceptance of each construction and being notified by the owners, or upon the reduction or expiration of each construction guarantee. For the payments on behalf of others of the syndicated banking group under the construction guarantee letters, Foxwell Energy shall immediately repay the amounts within 5 days.
- ii. Item B: Each drawn borrowing shall be repaid according to the borrowing term and maturity date specified in the drawing application. Provided no event of default has occurred, the Company may issue the drawing application to use the new drawn amount to directly settle the principal of the original matured borrowings before the maturity date.

(e) Foxwell Energy commits to test its financial statements that are audited or reviewed by independent auditors at least every half year starting from the financial statements for the six months ended June 30, 2024. If the financial ratios or restrictions do not meet the following rules, the syndicated banking group may suspend lending the related amounts and suspend the borrower's right to draw any credit line during the period in which the syndicated banking group determine that an event of default has occurred.

Covenants: During the contract period, debt ratio shall not be more than 200% and net tangible assets shall not be less than \$9,000,000 on the semi-annual and annual Foxwell Energy only financial statements. For Foxwell Energy's semi-annual and annual consolidated financial statements, current ratio shall not be less than 100%, net debt-to-equity ratio shall not be more than 300% and net tangible assets shall not be less than \$9,500,000. For the semi-annual and annual consolidated financial statements of Cheng Uei, current ratio shall not be less than 100%, net debt-to-equity ratio shall not be more than 300%, interest coverage ratio shall not be less than four times and net tangible assets shall not be less than \$15,000,000. As of December 31, 2025, Foxwell Energy's debt ratio and net tangible assets do not meet the requirements. Shinfox Energy current ratio, debt ratio, and tangible

net worth ratio do not meet the requirements. The ultimate parent company's net debt-to-equity ratio and interest coverage ratio did not meet the rules, thus, the specific improvement measures shall be immediately proposed and submitted to the syndicated banking group based on the agreement on the review date. The management bank may suspend lending the related amounts and suspend the right to draw any credit line during the period in which the syndicated banking group determine that an event of default has occurred. As of March 30, 2026, the syndicated banking group has agreed to extend the credit facility to March 31, 2027, and exempt the existing events of default. However, no credit facility to be drawn down can be increased until the financial commitments have met the agreed standards. As of December 31, 2025, Foxwell Energy and the ultimate parent company, Cheng Uei, had not violated the terms of the contracts entered with the abovementioned banks.

- (f) The abovementioned syndicated borrowings were jointly guaranteed by Shinfox Energy.
- H. The Group's sub-subsidiary, Foxwell Energy, entered into the borrowing contract with King's Town Bank on July 8, 2024. The borrowing was non-revolving. In the second quarter of 2025, Foxwell Energy negotiated with the bank to extend the period of the unsecured borrowing to February 26, 2027. As of December 31, 2025, the credit line had been used amounting to \$2,300,000 and there was no unused credit line. The borrowing contract was jointly guaranteed by Shinfox Energy.
- I. In April 2024, the Group's second-tier subsidiary, SFE, entered into a syndicated loan agreement for a credit line of US\$105,000 thousand with Chailease International Financial Services (Singapore) Pte. Ltd., Taishin International Bank, O-Bank and King's Town Bank. The main contents are as follows:
 - (a) Purpose of borrowing: Including but not limited to cost of purchasing ships.
 - (b) Borrowing period: From May 29, 2024 to May 29, 2026.
 - (c) Repayment: The principal is repayable monthly in the amount of US\$1,050 thousand starting from December 2024 and the remaining balance is fully repayable in the final instalment, as well as the interest is repayable monthly.
 - (d) The abovementioned syndicated borrowings were jointly guaranteed by Shinfox Energy.
- J. The Group's sub-subsidiary, Synergy, entered into a medium-term loan agreement for a credit line of \$35,000 with Shin Kong Commercial Bank in September 2024. The main contents are as follows:
 - (a) Purpose of borrowing: Revolving funds.
 - (b) Borrowing period: From November 4, 2024 to November 4, 2027.
 - (c) Repayment: The first year is the grace period. After the grace period, the principal is repayable in 24 equal installments; the interest is repayable monthly at a preferential interest rate provided under a government program of the Small and Medium Enterprise and Startup

Administration, Ministry of Economic Affairs.

- K. The Group's sub-subsidiary, Synergy, entered into a medium-term secured loan agreement for a credit line of \$818,000 with Bank SinoPac in March 2022. The main contents are as follows:
- (a) Purpose of borrowing: For the acquisition of movable properties only.
 - (b) Borrowing period: From January 22, 2024 to March 29, 2039.
 - (c) Repayment: The principal is repayable in equal installments; the interest is repayable monthly.
 - (d) Machinery and equipment of Synergy were pledged as collateral for the abovementioned loan agreement.
- L. The Group's sub-subsidiary, Kunshan Jiuwei, entered into a medium-term loan agreement for a credit line of RMB \$15,000 with Shin Kong Commercial Bank in December 2024. The main contents are as follows:
- (a) Purpose of borrowing: For capital expenditures related to power plant projects, including engineering works or equipment procurement.
 - (b) Borrowing period: From March 24, 2025 to March 22, 2030.
 - (c) Repayment: Interest shall be paid on a monthly basis. The principal shall be repaid in equal installments of RMB 100 thousand every six months. Upon maturity of the loan, any remaining interest shall be settled together with the outstanding principal.
 - (d) Machinery and equipment of Kunshan Jiuwei were pledged as collateral for the abovementioned loan agreement, which was jointly guaranteed by Shinfox Energy.
- M. The Group's sub-subsidiary, SFET, entered into a medium-term loan agreement for a credit line of \$620,000 with First Commercial Bank in April 2025. The main contents are as follows:
- (a) Purpose of borrowing: Including but not limited to cost of purchasing ships.
 - (b) Borrowing period: From June 27, 2025 to June 27, 2030.
 - (c) Repayment: Principal is repayable in installments during the borrowing period.
 - (d) Ship equipment was pledged as collateral for the abovementioned loan agreement, which was jointly guaranteed by Shinfox Energy.
- N. In April 2025, the Group's sub-subsidiary, SFED, entered into a syndicated loan agreement for a credit line of US\$150,000 thousand with KGI Bank, Shin Kong Bank and Land Bank of Taiwan. The main contents are as follows:
- (a) Purpose of borrowing: Cost of purchasing ships and equipment.
 - (b) Tenure of borrowing: The credit line shall be drawn in full within 3 months from the date of contract and the undrawn credit line will be automatically cancelled by then. The tenure of borrowing is 5 years from the first drawing date. Additionally, the application of extending the tenure of borrowing can be submitted by notifying the administering bank via the written notice from nine months to six months before the maturity date of the first tenure of the borrowing.
 - (c) Repayment: The first installment is 12 months after the first drawing date, and after that, the principal is repayable every 3 months in 17 installments. 1.76% of the credit line is repayable

from the first installment to the sixteenth installment and 71.84% of the credit line is repayable in the seventeenth installment.

- (d) SFED commits to test its financial statements that are audited or reviewed by independent auditors at least every half year starting from the financial statements for the six months ended June 30, 2025. If the financial ratios or restrictions do not meet the following rules, a 0.25% interest rate will be added in the improvement period during the period in which the syndicated banking group determines that an event of default has occurred.

Covenants: During the contract period, principal and interest coverage ratio shall not be less than 1.2 on the semi-annual and annual parent company only financial statements of SFED. For the semi-annual and annual consolidated financial statements of Shinfox Energy, current ratio shall not be less than 100%, net debt-to-equity ratio shall not be more than 300% and net tangible assets shall not be less than \$9,500,000. As of March 30, 2026, the current ratio, net debt-to-equity ratio and net tangible assets of Shinfox Energy did not meet the regulations, thus, the borrowing rate would be processed based on the contracts on the review date. Shinfox Energy shall propose specific improvements to the administering bank immediately. If the ratios meet the abovementioned covenants in the next financial reporting period, the difference will not be considered as a violation during the improvement period. If the ratios still do not be improved to meet the agreed terms in the next period, SFED must repay the principal along with the interest payable based on the agreement immediately. As of December 31, 2025, the borrowing had failed to comply with the terms of the long-term agreement and was reclassified as “current liabilities”.

- (e) Ship equipment was pledged as collateral for the abovementioned syndicated loan agreement, which was jointly guaranteed by Shinfox Energy.

O. The Group’s sub-subsidiary, SFET, entered into a medium-term loan agreement for a credit line of \$300,000 with HE JING CO., LTD. in July 2025. The main contents are as follows:

- (a) Purpose of borrowing: Revolving funds.
(b) Borrowing period: From July 18, 2025 to July 17, 2028.
(c) Repayment: The principal is repayable in installments; the interest is repayable monthly.
(d) The abovementioned loan agreement was jointly guaranteed by Shinfox Energy.

P. Information on collateral pledged for long-term borrowings is provided in Note 8.

(21) Pensions

- A. (a) The Group has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each

additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Group contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Group would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	(\$ 26,743)	(\$ 27,595)
Fair value of plan assets	<u>152,755</u>	<u>140,647</u>
Net defined benefit asset (shown as other non- current assets)	<u>\$ 126,012</u>	<u>\$ 113,052</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit assets (liability)</u>
<u>2025</u>			
At January 1	(\$ 27,595)	\$ 140,647	\$ 113,052
Interest (expense) income	(456)	<u>2,461</u>	<u>2,005</u>
	(28,051)	<u>143,108</u>	<u>115,057</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	9,504	9,504
Change in financial assumptions	(20)	-	(20)
Experience adjustments	<u>1,328</u>	<u>-</u>	<u>1,328</u>
	<u>1,308</u>	<u>9,504</u>	<u>10,812</u>
Pension fund contribution	-	<u>143</u>	<u>143</u>
At December 31	<u>(\$ 26,743)</u>	<u>\$ 152,755</u>	<u>\$ 126,012</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets (liability)
<u>2024</u>			
At January 1	(\$ 28,603)	\$ 127,614	\$ 99,011
Interest (expense) income	(372)	1,874	1,502
	(28,975)	129,488	100,513
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	11,017	11,017
Change in financial assumptions	326	-	326
Experience adjustments	1,054	-	1,054
	1,380	11,017	12,397
Pension fund contribution	-	142	142
At December 31	(\$ 27,595)	\$ 140,647	\$ 113,052

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2025	2024
Discount rate	1.3%~1.75%	1.25%~2.00%
Future salary increases	3%~4%	3%~5%

Assumptions regarding future mortality experience are set based on the 6th Taiwan Annuity Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligation	(\$ 661)	\$ 685	\$ 633	(\$ 595)
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 749)	\$ 778	\$ 727	(\$ 678)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$143.
 - (g) As of December 31, 2025, the weighted average duration of the retirement plan is 8~16.2 years.
- B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6%~8% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company’s foreign subsidiaries have established a defined contribution pension plan in accordance with the local regulations. Other than the monthly contributions, the Group has no further obligations.
- (c) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024, were \$102,350 and \$89,497, respectively.

(22) Share-based payment

A. The Group's share-based payment arrangements were as follows:

Issuing company	Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Shinfox Energy	Cash capital increase reserved for employee preemption	2025.1.19	2,616,000	NA	Vested immediately
Foxwell Power	Employee stock options	2023.11.21	2,000,000	5 years	2~4 years' service
Foxwell Power	Cash capital increase reserved for employee preemption	2024.12.31	1,575,000	NA	Vested immediately
Foxwell Certification	Cash capital increase reserved for employee preemption	2024.5.2	200,000	NA	Vested immediately
Smart Power System	Cash capital increase reserved for employee preemption	2024.8.15	1,375,000	NA	Vested immediately
Smart Power System	Employee stock options	2024.9.1	2,000,000	4 years	3 years' service
Smart Power System	Employee stock options	2025.12.15	500,000	4 years	3 years' service
Synergy Energy	Cash capital increase reserved for employee preemption	2024.12.13	390,000	0.02 years	Vested immediately

Aside from the above share-based payments, the Group has no share-based payments granted to employees.

B. Details of the share-based payment arrangements are as follows:

(a) Shinfox Energy:

Share-based payment arrangements of cash capital increase reserved for employee preemption

	2025	
	No. of options (share in thousands)	Weighted -average exercise price (in dollars)
Options outstanding at January 1	-	\$ -
Options granted	2,616	80
Options forfeited	(351)	80
Options exercised	(2,265)	80
Options outstanding at December 31	-	-

(b) Foxwell Power:

i. Share-based payment arrangements of employee share purchase plan

	2025		2024	
	No. of options (share in thousands)	Weighted -average exercise price (in dollars)	No. of options (share in thousands)	Weighted -average exercise price (in dollars)
Options outstanding at January 1	2,000	\$ 16	2,000	\$ 16
Options granted	(396)	-	-	-
Options outstanding at December 31	1,604	14.90	2,000	16
Options exercisable at December 31	401	14.90	-	-

ii. Share-based payment arrangements of cash capital increase reserved for employee preemption

	2025	
	No. of options (share in thousands)	Weighted -average exercise price (in dollars)
Options outstanding at January 1	1,575	\$ 81
Options forfeited	(185)	81
Options exercised	(1,390)	81
Options outstanding at December 31	-	-

(c) Foxwell Certification:

Share-based payment arrangements of cash capital increase reserved for employee preemption

	2024	
	No. of options (share in thousands)	Weighted -average exercise price (in dollars)
Options outstanding at January 1	-	\$ -
Options granted	200	10
Options exercised by Shinfox Energy	(65)	-
Options expired	(135)	10
Options outstanding at December 31	-	-

(d) Smart Power System:

i. Share-based payment arrangements of employee share purchase plan

	2024	
	No. of options (share in thousands)	Weighted -average exercise price (in dollars)
Options outstanding at January 1	-	\$ -
Options granted	1,375	20
Options exercised	(1,375)	20
Options outstanding at December 31	-	-

ii. Share-based payment arrangements of cash capital increase reserved for employee preemption

	2025		2024	
	No. of options (share in thousands)	Weighted -average exercise price (in dollars)	No. of options (share in thousands)	Weighted -average exercise price (in dollars)
Options outstanding at January 1	2,000	\$ 20	-	\$ -
Options granted	500	20	2,000	20
Options outstanding at December 31	2,500	19.07	2,000	-

(e) Synergy:

	2025		2024	
	No. of options (share in thousands)	Weighted -average exercise price (in dollars)	No. of options (share in thousands)	Weighted -average exercise price (in dollars)
Options outstanding at January 1	390	\$ 10	-	\$ -
Options granted	-	-	390	10
Options expired	(15)	10	-	-
Options exercised	(375)	10	-	-
Options outstanding at December 31	-	-	390	10
Options exercisable at December 31	-	-	390	10

- C. For Shinfox Energy's exercise of stock options, the weighted-average stock price at the exercise date was NT\$105.5 (in dollars) for the year ended December 31, 2025.
- D. For Foxwell Power's exercise of stock options, the weighted-average stock price at the exercise date was NT\$110.61 (in dollars) for the year ended December 31, 2025.
- E. For Foxwell Certification's exercise of stock options, the weighted-average stock price at the exercise date was NT\$13 (in dollars) for the year ended December 31, 2024.
- F. For Smart Power System's exercise of stock options, the weighted-average stock price at the exercise date was NT\$21.29 (in dollars) for the year ended December 31, 2024.
- G. For Synergy's exercise of stock options, the weighted-average stock price at the exercise date was NT\$11.04 (in dollars) for the year ended December 31, 2025.
- H. For the years ended December 31, 2025 and 2024, the range of exercise prices of stock options outstanding of Foxwell Power was NT\$14.9 and NT\$16, respectively ; the weighted-average remaining contractual period was 2.8 years and 3.8 years, respectively.
- I. As of December 31, 2025 and 2024, Smart Power System's exercise price of stock options outstanding was NT\$19.07 (in dollars) and NT\$20 (in dollars), respectively; the weighted-average remaining contractual period was 2.67~4 years and 3.67 years, respectively.
- J. As of December 31, 2024, Synergy's exercise price of stock options outstanding was NT\$10 (in dollars); the weighted-average remaining contractual period was 0 year.

K. The aforementioned Company's and subsidiaries' fair value of stock options granted on grant date is measured using the Black-Scholes option pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Cash capital increase reserved for employee preemption of Shinfox Energy	2025.1.19	\$105.5	\$ 80	38.67%	0.01 years	-	1.5003%	\$ 25.51
Employee stock options of Foxwell Power	2023.11.21	16.92	16	25.93%	3~4 year	-	1.1966%	3.071~4.189
Cash capital increase reserved for employee preemption of Foxwell Power	2024.12.31	81.05	81	40.59%	0.01 years	-	1.5505%	1.343
Cash capital increase reserved for employee preemption of Foxwell Certification	2024.5.2	13.18	10	36.43%	0.01 years	-	1.5840%	3.180
Cash capital increase reserved for employee preemption of Smart Power System	2024.8.15	21.29	20	44.76%	0.01 years	-	1.2700%	1.920
Cash capital increase reserved for employee preemption of Smart Power System	2024.9.1	21.29	20	44.88%	3.5 years	-	1.4300%	7.750
Employee stock options of Smart Power System	2025.12.15	70.55	20	43.04%	3.5 years	-	1.2400%	52.020
Employee stock options of Synergy Energy	2024.12.13	11.04	10	45.00%	0.02 years	-	1.2908%	1.043

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

L. The Group recognised compensation cost of \$75,812 and \$3,263 for cash capital increase reserved for employee preemption for the years ended December 31, 2025 and 2024, respectively.

(23) Provisions

2025					
	Onerous contract	Provision for warranty	Default losses	Decommissioning liabilities	Total
At January 1, 2025	\$ 34,462	\$ 127,990	\$ -	\$ 3,020	\$ 165,472
Increase (reversal) in provisions during the period	605,399	(1,031)	131,248	-	735,616
Unwinding of discount	-	-	-	63	63
At December 31, 2025	<u>\$ 639,861</u>	<u>\$ 126,959</u>	<u>\$ 131,248</u>	<u>\$ 3,083</u>	<u>\$ 901,151</u>
2024					
	Onerous contract	Provision for warranty		Decommissioning liabilities	Total
At January 1, 2024	\$ 27,785	\$ 125,773		\$ 2,958	\$ 156,516
Increase (reversal) in provisions during the period	6,677	2,217		-	8,894
Unwinding of discount	-	-		62	62
At December 31, 2024	<u>\$ 34,462</u>	<u>\$ 127,990</u>		<u>\$ 3,020</u>	<u>\$ 165,472</u>
			December 31, 2025	December 31, 2024	
Current			<u>896,296</u>	<u>160,385</u>	
Non-current			<u>4,855</u>	<u>5,087</u>	

A. Onerous contracts

- (a) For the year ended December 31, 2025, the estimated total costs for the contracts were less than the original estimated amounts due to the adjustments of construction cost. Thus, the Group's sub-subsidiary, Eastern Rainbow Green Energy, reversed onerous contracts provision amounting to \$1,900. For the year ended December 31, 2024, Eastern Rainbow Green Energy recognised a provision for onerous contracts amounting to \$6,677 since the unavoidable cost associated with the performance obligation of the construction contract exceeded the expected economic benefits to be derived from the contract.
- (b) The Group's sub-subsidiary, Foxwell Energy, contracted the Phase II of Taipower's Offshore Wind Power Project and the Wind Farm Property Procurement and Installation Project ("the Project"), with the maritime engineering part executed by the Group's sub-subsidiary, SFE. During the maritime engineering contract period in the second quarter of 2025, SFE shall adjust the dispatch plans of vessels in order to ensure smooth construction progress since the sling accident occurred when hoisting the wind turbine generator system and the construction was delayed due to the delayed delivery of thrusters from the supplier of cable laying vessels. In the third quarter of 2025, as the delivery progress of the thrusters was still not as expected, resulting in SFE's own vessels being unavailable for construction, along with the adverse weather conditions in the third quarter, the maritime engineering work schedule was further

delayed. In order to expedite the construction, SFE had to urgently lease additional vessels from third parties to catch up with the overall construction progress. However, because each construction vessel required corresponding equipment to operate, the lease term was extended and related costs increased significantly, resulting in a substantial increase in the actual input costs in the third quarter of 2025. Considering the overall operations of the Project and the performance risk control, Foxwell Energy temporarily suspended the maritime engineering originally executed by SFE, took over the subsequent construction matters and retendered the maritime engineering work to the external suppliers in the fourth quarter of 2025. Since the original plan of the maritime engineering was to primarily use SFE's own vessels for construction but switched to lease vessels from third parties and there was a dispute on the agreed terms between Foxwell Energy and the subcontractor of wind turbine generator system, thus, Foxwell Energy assessed that the costs to be input would increase significantly. The amount of provision for onerous contracts recognised for the year ended December 31, 2025 was \$607,274.

- (c) For the year ended December 31, 2025, the estimated total costs for the contracts were less than the original estimated amounts due to the adjustments of construction cost. Thus, the Group's sub-subsidiary, Smart Power System, recognised onerous contracts provision amounting to \$25.

B. Default losses

- (a) The 2026 power purchases and sales contract for commercial operation of gas-fired system signed between the Group's sub-subsidiary, Jiuwei Power, and Taiwan Power Company (Taipower) stipulates that if the work permit is not obtained by the extended deadline, 1% of the performance security deposit before operation shall be deducted, with successive deductions for delaying every 30 days. The progress of the abovementioned construction was affected by various and successive difficulties in activation of modifying the business plan of Tree Valley Park and the factors such as environmental impact difference since the end of 2024. As a result, Jiuwei Power and the lessor of Tree Valley Park terminated the land lease agreement in February 2025. The Group determined that the probability of fulfilling the contract was remote based on the Group's comprehensive assessment of the current situation and future operational feasibility. Therefore, the Group accrued the possible losses amounting to \$23,485 on liquidated damages based on the contract. As of December 31, 2025, the overdue default penalty had been fully paid.
- (b) The equipment procurement and installation requirement document for the "Phase II of Taipower's Offshore Wind Power Project and the Wind Farm Property Procurement and Installation Project" signed between the Group's sub-subsidiary, Foxwell Energy, and Taiwan Power Company stipulates that overdue default penalty for the installation of foundation construction for wind turbine generator system and offshore substation will incur, which Foxwell Energy will be fined in the amount of \$1,050 thousand per calendar day. After

contracting the construction, Foxwell Energy could not carry out the construction as scheduled due to the force majeure or uncontrollable events. As a result, the stages of construction had been slightly delayed. As of March 30, 2026, Foxwell Energy had gradually received confirmation letters from Taiwan Power Company. According to the approved content, the total extension days were 96.5 days. The Group's management had made the necessary adjustments in the way the Group's management considered appropriate based on its assessment of preliminary consensus reached with Taiwan Power Company through mediation and historical offshore wind power construction and the experience of applying for the extension. In addition, the Group's management had acquired the climate assessment report issued by an independent external institution. The Group's management accrued the most likely reserves of default losses amounting to \$131,248.

C. Provision for warranty

The Group provides warranties on image scanners and multifunction printers sold and construction contracts:

- (a) Provision for warranty related to the image scanners and multifunction printers sold is estimated based on historical warranty data of the products.
- (b) Provision for warranty related to the construction contracts is estimated based on historical warranty data. The Group expected the provision for warranty will usually occur during the period regulated in the contracts after the acceptance of the construction.

D. Decommissioning liabilities

In accordance with the applicable agreements or the law/regulation requirement, the Group bears dismantling, removing the asset and restoring the site obligations for certain property, plant and equipment in the future. Decommissioning provision is recognised for the present value of costs to be incurred for dismantling, removing the asset and restoring the site. It is expected that the decommissioning provision will occur.

(24) Share capital

As described in Note 1, the Company acquired 100% of the shares of Glory Science, PQI and Foxlink Image through share swap by exchanging 1 common share of Glory Science into 1 common share of the Company, 1 common share of PQI converted to 0.194 common share of the Company and 1 common share of Foxlink Image converted to 0.529 common share of the Company. As of December 31, 2025, the Company's authorised capital was \$3,000,000, consisting of 300,000 thousand shares of ordinary stock (including 30,000 thousand shares reserved for employee stock options), and the paid-in capital was \$2,462,421 with a par value of \$10 (in dollars) per share. Ordinary shares outstanding as at December 31, 2023 amounted to 246,242 thousand shares.

(25) Capital surplus

	2025				
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates	Total
At January 1	\$ 3,290,571	\$ 222,102	\$ 1,398,277	\$ 216,257	\$ 5,127,207
Changes in ownership interests in subsidiaries	-	-	573,537	-	573,537
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	13,441	13,441
Disposal of investments accounted for using the equity method	-	-	-	(2,477)	(2,477)
Compensation costs	-	-	26,623	-	26,623
At December 31	<u>\$ 3,290,571</u>	<u>\$ 222,102</u>	<u>\$ 1,998,437</u>	<u>\$ 227,221</u>	<u>\$ 5,738,331</u>
	2024				
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates	Total
At January 1	\$ 3,413,692	\$ 222,102	\$ 1,182,413	\$ 185,835	\$ 5,004,042
Capital surplus used to issue cash to shareholders	(123,121)	-	-	-	(123,121)
The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary	-	-	118	-	118
Subsidiary issued convertible bonds	-	-	214,399	-	214,399
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	27,946	27,946
The Group did not participate in the capital increase raised by associates proportionally to its interest to the associates	-	-	-	2,476	2,476
Compensation costs	-	-	1,347	-	1,347
At December 31	<u>\$ 3,290,571</u>	<u>\$ 222,102</u>	<u>\$ 1,398,277</u>	<u>\$ 216,257</u>	<u>\$ 5,127,207</u>

- A. In accordance with IFRS Q&A issued by Accounting Research and Development Foundation (ARDF) on October 26, 2018 and ARDF Interpretation 100-390, as described in Note 4, the share swap transactions between the Company and Glory Science were considered as a reorganisation under common control on October 1, 2018.
- B. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
- C. The shareholders resolved that the Company distribute cash by using capital surplus of \$123,121 (NT\$0.5 (in dollars) per share) on March 7, 2024.

(26) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. The remaining earnings shall be proposed by the Board of Directors and resolved by the shareholders as dividends to shareholders.

According to the Company's dividend policy, no more than 90% of the distributable retained earnings shall be distributed as shareholders' bonus and cash dividend distributed in any calendar year shall be at least 20% of the total distributable earnings in that year based on future capital expenditures budget and capital requirements.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. In accordance with Article 211 of the Company Act, in case the loss incurred by a company aggregates to one half of its paid-in capital, the Board of Directors should report it at the latest shareholders' meeting.
- D. Special reserve
 - (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The Company is substantially a continuation of Glory Science. Therefore, the amount previously set aside by the Company as special reserve in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be the same as the amount reclassified from accumulated translation adjustment under shareholders' equity to retained earnings for the exemptions elected by the Group. The special reserve increased as a result of retained earnings arising from the adoption of IFRS amounted to \$8,361.

E. The appropriation of 2024 and 2023 earnings as proposed and resolved by the shareholders on May 28, 2025 and May 27, 2024, respectively, are as follows:

	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 113,399		\$ 15,005	
Special reserve	-		(290,674)	
Cash dividends	738,726	\$ 3.00	369,363	\$ 1.50

For the information relating to the distribution of earnings as approved by the Board of shareholders, please refer to the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(27) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and service over time and at a point in time in the following major product lines and geographical regions:

Revenue from external customer contracts

<u>2025</u>	<u>China</u>	<u>Taiwan</u>	<u>Hong Kong</u>	<u>US</u>
System and peripheral products	\$ 1,247,232	\$ 8,126	\$ 309,250	\$ 699,978
3C retail and peripheral products	6,355	109,287	1,611,093	65
3C components	221,975	10,342	944	-
Energy service management	17,097	26,040,007	-	-
	<u>\$ 1,492,659</u>	<u>\$ 26,167,762</u>	<u>\$ 1,921,287</u>	<u>\$ 700,043</u>
<u>2025</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>	
System and peripheral products	\$ 1,014,387	\$ 1,489,218	\$ 4,768,191	
3C retail and peripheral products	-	1	1,726,801	
3C components	2,967	32,594	268,822	
Energy service management	-	-	26,057,104	
	<u>\$ 1,017,354</u>	<u>\$ 1,521,813</u>	<u>\$ 32,820,918</u>	

<u>2024</u>	<u>China</u>	<u>Taiwan</u>	<u>Hong Kong</u>	<u>US</u>
System and peripheral products	\$ 1,569,701	\$ 6,797	\$ 306,230	\$ 797,781
3C retail and peripheral products	8,106	82,544	1,499,568	-
3C components	130,191	12,360	-	-
Energy service management	35,760	19,568,338	-	-
	<u>\$ 1,743,758</u>	<u>\$ 19,670,039</u>	<u>\$ 1,805,798</u>	<u>\$ 797,781</u>
<u>2024</u>	<u>Europe</u>	<u>Others</u>		<u>Total</u>
System and peripheral products	\$ 1,004,659	\$ 1,783,956		\$ 5,469,124
3C retail and peripheral products	-	659		1,590,877
3C components	3,675	52,916		199,142
Energy service management	-	40,621		19,644,719
	<u>\$ 1,008,334</u>	<u>\$ 1,878,152</u>		<u>\$ 26,903,862</u>

B. Transaction price of performance obligations of unfulfilled construction contracts.

Revenue from significant construction contracts contracted as of December 31, 2025 and 2024, was recognised according to the completion of offshore and energy saving construction. Aggregate contracted amount and the year expected to recognise revenue for the unsatisfied performance obligations of such construction are as follows:

<u>Year</u>	<u>Total contract price</u>	<u>Unsatisfied performance obligations amount</u>	<u>Year expected to recognise revenue</u>
December 31, 2025	\$ 68,111,049 (Note)	\$ 12,747,666	Year 2026~2027
December 31, 2024	61,556,032	29,417,845	Year 2025~2027

Note: Regarding the mediation case between the Group and Taiwan Power Company, the variable consideration of \$5,556,934 which is likely to be collected is included in the total contract value according to the mediation proposal proposed by the Mediation Committee.

C. Contract assets and contract liabilities

(a) The Group has recognised the following revenue-related contract assets and contract liabilities:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Contract assets:		
Contract assets – construction contracts	\$ 10,889,106	\$ 8,906,120
Contract assets – service agreements	3,455	766
	<u>\$ 10,892,561</u>	<u>\$ 8,906,886</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Contract liabilities:		
Contract liabilities – advance sales receipts	220,365	181,943
Contract liabilities – construction contracts	66,119	15,420
Contract liabilities – service agreements	330	1,382
	<u>\$ 286,814</u>	<u>\$ 198,745</u>

(b) The aforementioned revenue-related contract assets and contract liabilities as at December 31, 2025 and 2024 are as follows:

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Total costs incurred and revenue recognised	\$ 55,716,210	\$ 31,879,233
Less: Progress billings	(44,893,223)	(22,988,533)
Net balance sheet position for		
Construction in progress	<u>\$ 10,822,987</u>	<u>\$ 8,890,700</u>
Presented as:		
Contract assets- current	\$ 10,889,106	\$ 8,906,120
Contract liabilities- current	(66,119)	(15,420)
	<u>\$ 10,822,987</u>	<u>\$ 8,890,700</u>

(c) Revenue recognised that was included in the contract liability balance at the beginning of the period

	<u>Year ended December 31, 2025</u>	<u>2024</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Unearned revenue	<u>\$ 6,851</u>	<u>\$ 33,740</u>

D. Information about the significant construction contracts contracted by the Group is provided in Note 9.

(28) Interest income

	<u>Year ended December 31, 2025</u>	<u>2024</u>
Interest income from bank deposits	\$ 136,171	\$ 140,912
Interest income from financial assets measured at amortised cost	112,743	86,218
	<u>\$ 248,914</u>	<u>\$ 227,130</u>

(29) Other income

	Year ended December 31,	
	2025	2024
Dividend income	\$ 141,068	\$ 134,293
Rent income	78,760	82,735
Others	41,752	33,281
	<u>\$ 261,580</u>	<u>\$ 250,309</u>

(30) Other gains and losses

	Year ended December 31,	
	2025	2024
Gains on disposals of property, plant and equipment	\$ 516,296	\$ 28,812
Foreign exchange gains	54,947	261,647
Gain arising from lease modification	7,317	1
Gains (losses) on disposals of investments	3,274 (	10)
Loss on early termination	- (	10,937)
(Loss) gains on financial assets at fair value through profit or loss	(2,085)	2,482
Depreciation charge on investment property	(5,503) (	7,173)
Loss from default	(154,733)	-
Impairment loss on non-financial assets	(1,310,134) (	127,272)
Others	(3,756)	3,186
	<u>(\$ 894,377)</u>	<u>\$ 150,736</u>

(31) Finance costs

	Year ended December 31,	
	2025	2024
Interest expense		
Bank loans	\$ 1,068,406	\$ 454,051
Bonds payable	51,759	50,806
Lease liabilities	18,816	19,333
Other interest expense	64	62
Loans from related parties (note)	-	84,493
	<u>\$ 1,139,045</u>	<u>\$ 608,745</u>

Note: Please refer to Note 7.

(32) Expenses by nature

Year ended December 31, 2025			
Nature	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 438,532	\$ 985,106	\$ 1,423,638
Labour and health insurance fees	47,831	64,389	112,220
Pension costs	53,813	46,532	100,345
Other personnel expenses	30,491	36,620	67,111
	<u>\$ 570,667</u>	<u>\$ 1,132,647</u>	<u>\$ 1,703,314</u>
Interest expense	<u>\$ 784,699</u>	<u>\$ -</u>	<u>\$ 784,699</u>
Depreciation charge	<u>\$ 754,243</u>	<u>\$ 138,928</u>	<u>\$ 893,171</u>
Amortisation charge	<u>\$ 17</u>	<u>\$ 98,451</u>	<u>\$ 98,468</u>

Year ended December 31, 2024			
Nature	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 476,076	\$ 969,256	\$ 1,445,332
Labour and health insurance fees	62,682	59,393	122,075
Pension costs	52,926	35,069	87,995
Other personnel expenses	34,539	31,147	65,686
	<u>\$ 626,223</u>	<u>\$ 1,094,865</u>	<u>\$ 1,721,088</u>
Interest expense	<u>\$ 556,193</u>	<u>\$ -</u>	<u>\$ 556,193</u>
Depreciation charge	<u>\$ 488,881</u>	<u>\$ 131,103</u>	<u>\$ 619,984</u>
Amortisation charge	<u>\$ 183</u>	<u>\$ 81,774</u>	<u>\$ 81,957</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.
- B. Employees' compensation and directors' remuneration were not accrued as the Company had no profit for the year ended December 31, 2025; For the year ended December 31, 2024, employees' compensation was accrued at \$73,000, respectively; while directors' remuneration was accrued at \$10,695. The aforementioned amounts were recognised in salary expenses.
- C. Employees' compensation and directors' remuneration of 2024 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2024 financial statements, and were distributed in the form of cash.

D. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(33) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31,	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 370,596	\$ 560,669
Tax on undistributed surplus earnings	16	7,827
Prior year income tax underestimation	54,733	604
Total current tax	425,345	569,100
Deferred tax:		
Origination and reversal of temporary differences	(16,515)	(37,445)
Total deferred tax	(16,515)	(37,445)
Income tax expense	<u>\$ 408,830</u>	<u>\$ 531,655</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31,	
	2025	2024
Currency translation differences for the year	\$ 3,061	(\$ 34,353)
Remeasurement of defined benefit obligations	(2,163)	(2,479)
	<u>\$ 898</u>	<u>(\$ 36,832)</u>

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31,	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	\$ (6,231,692)	\$ 889,613
Temporary difference not recognised as deferred tax assets	39,102	96,827
Unrecognized deferred tax assets for tax loss carryforwards	1,195,831	67,675
Prior year income tax underestimate	54,733	604
Tax on undistributed surplus earnings	16	7,827
Change in assessment of realisation of deferred tax assets	-	71,702
Expenses disallowed by tax regulation	5,538,523	(504,307)
Tax effects of investment tax credits	(23,690)	(40,872)
Prior year loss carryforward income tax	(161,966)	(57,414)
Other	(2,027)	-
Income tax expense	<u>\$ 408,830</u>	<u>\$ 531,655</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2025				
	Recognised in other comprehensive income				
	At January 1	Recognised in profit or loss	Business combination	At December 31	
Temporary differences:					
– Deferred tax assets:					
Loss carryforward	\$ 258,129	(\$ 192,271)	\$ -	\$ -	\$ 65,858
Depreciation difference between tax and financial basis	53,048	427	-	-	53,475
Warranty cost of after-sale service	24,886	(260)	-	-	24,626
Loss on overseas investment	39,197	268,834	-	-	308,031
Unrealized loss on market price decline and obsolete and slow-moving inventory	11,814	(605)	-	-	11,209
Losses on doubtful debts	15,431	-	-	-	15,431
Unrealised gain on inter-affiliate accounts	3,528	(764)	-	-	2,764
Onerous contracts	6,892	(380)	-	-	6,512
Others	39,008	28,070	(1,945)	-	65,133
	<u>\$ 451,933</u>	<u>\$ 103,051</u>	<u>(\$ 1,945)</u>	<u>\$ -</u>	<u>\$ 553,039</u>
– Deferred tax liabilities:					
Unrealised exchange gain	(\$ 327,953)	(\$ 67,168)	(\$ 4,214)	\$ -	(\$ 399,335)
Intangible assets-customer relationship	(12,869)	14,895	-	(66,891)	(64,865)
Others	(115,362)	(34,263)	7,057	-	(142,568)
	<u>(\$ 456,184)</u>	<u>(\$ 86,536)</u>	<u>\$ 2,843</u>	<u>(\$ 66,891)</u>	<u>(\$ 606,768)</u>
	<u>(\$ 4,251)</u>	<u>\$ 16,515</u>	<u>\$ 898</u>	<u>(\$ 66,891)</u>	<u>(\$ 53,729)</u>

2024				
	At January 1	Recognised in profit or loss	Recognised in other comprehensive income	At December 31
Temporary differences:				
– Deferred tax assets:				
Loss carryforward	\$ 133,420	\$ 124,709	\$ -	\$ 258,129
Depreciation difference between tax and financial basis	51,255	1,793	-	53,048
Warranty cost of after-sale service	24,679	207	-	24,886
Loss on overseas investment	-	39,197	-	39,197
Unrealized loss on market price decline and obsolete and slow-moving inventory	15,635	(3,821)	-	11,814
Losses on doubtful debts	15,431	-	-	15,431
Unrealised gain on inter-affiliate accounts	7,981	(4,453)	-	3,528
Onerous contracts	5,557	1,335	-	6,892
Others	30,466	8,542	-	39,008
	<u>\$ 284,424</u>	<u>\$ 167,509</u>	<u>\$ -</u>	<u>\$ 451,933</u>
– Deferred tax liabilities:				
Unrealised exchange gain	(\$ 198,656)	(\$ 113,994)	(\$ 15,303)	(\$ 327,953)
Intangible assets-customer relationship	(25,737)	12,868	-	(12,869)
Others	(64,895)	(28,938)	(21,529)	(115,362)
	<u>(\$ 289,288)</u>	<u>(\$ 130,064)</u>	<u>\$ 36,832</u>	<u>(\$ 456,184)</u>
	<u>(\$ 4,864)</u>	<u>\$ 37,445</u>	<u>\$ 36,832</u>	<u>(\$ 4,251)</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the Company's domestic subsidiaries are as follows:

December 31, 2025				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015~2025	\$ 9,093,145	\$ 7,729,587	\$ 7,488,553	2025~2035

December 31, 2024				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2014~2024	\$ 4,870,062	\$ 3,990,428	\$ 3,587,996	2024~2034

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority. The Company's domestic subsidiaries' income tax returns through 2021 and 2023 have been assessed and approved by the Tax Authority.

(34) (Loss) earnings per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
<u>Basic (diluted) loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 5,625,725)	246,242	(\$ 22.85)

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,124,070	246,242	\$ 4.56
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,124,070	246,242	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,316	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,124,070	247,558	\$ 4.54

The potential ordinary shares have anti-dilutive effect due to net loss for the year ended December 31, 2025, so the calculation of diluted loss per share is the same as the calculation of basic loss per share.

(35) Transactions with non-controlling interest

- A. In January 2025, the Group's sub-subsidiary, Shinfox Energy, disposed 0.03% of shares of the Group's sub-subsidiary, Foxwell Power, for a total cash consideration of \$8,099. This transaction resulted in an increase in the non-controlling interest by \$5,684 and an increase in the equity attributable to owners of the parent by \$2,415. In addition, the Group disposed 14% of shares of the Group's sub-subsidiary, Foxwell Power, for a total cash consideration of \$819,075 in December 2025. This transaction resulted in an increase in the non-controlling interest and the equity attributable to owners of the parent by \$594,469 and \$224,606, respectively. Additionally, the non-controlling interest was decreased by \$39 due to changes in the shareholding ratio.

- B. The Group's sub-subsidiary, Foxwell Power, increased its capital by issuing new shares. on January 13, 2025. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 11.67%. The transaction amount was \$898,021. This transaction resulted in an increase in the non-controlling interest and the equity attributable to owners of the parent by \$719,182 and \$178,839, respectively.
- C. The Group's sub-subsidiary, Shinfox Energy, acquired 50% equity interest in Synergy Co., Ltd. through capital increase by cash of \$800,100 on January 17, 2025. The transaction resulted in an increase in the non-controlling interest by \$758,302.
- D. The Group's sub-subsidiary, Shinfox Energy, increased its capital by issuing new shares in March 2025. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 1.66%. The transaction amount was \$2,533,481. This transaction resulted in an increase in the non-controlling interest and the equity attributable to owners of the parent by \$2,410,376 and \$123,105, respectively.
- E. The Group's sub-subsidiary, Foxwell Power, acquired 51% equity interest in Smart Power System by cash and issuance of ordinary shares in July 2025. The transaction resulted in an increase in the non-controlling interest by \$441,780. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 2.97%. This transaction resulted in an increase in the non-controlling interest and the equity attributable to owners of the parent by \$116,946 and \$41,722, respectively.
- F. The Group's sub-subsidiary, Billion Sun Energy Storage, increased its capital by issuing new shares on September 12, 2025. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 30%. The transaction amounted to \$392,400. This transaction resulted in an increase in the non-controlling interest and the equity attributable to owners of the parent by \$389,550 and \$2,850, respectively. The Group's sub-subsidiary, Billion Sun Energy Storage, increased its capital by issuing new shares on September 12, 2025. The Group's sub-subsidiary, Foxwell Power, did not acquire shares proportionally to its interest. As a result, Foxwell Power lost control over Billion Sun Energy Storage, and Foxwell Power's equity interest in the company was decreased from 100% to 30%. Billion Sun Energy Storage Technologies Inc. increased its capital by issuing new shares, of which 40% of shares were held by the Group's sub-subsidiary, Synergy Co., Ltd. Foxwell Power and Synergy held 30% and 40% equity interest in Billion Sun Energy Storage, respectively. Therefore, the transaction was considered as a reorganisation.
- G. The Group's sub-subsidiary, Foxwell Power, distributed cash dividends as resolved by the shareholders during their meeting on May 21, 2025 and May 15, 2024, and the transaction resulted in a decrease in the non-controlling interest by \$24,433 and \$6,731, respectively.
- H. The Group's sub-subsidiary, Shinfox Energy, distributed cash dividends as resolved by the shareholders during their meeting on May 27, 2025 and May 21, 2024, and the transaction resulted in a decrease in the non-controlling interest by \$188,161 and \$175,635, respectively.

- I. In 2024, the Group's second-tier subsidiary, Shinfox Energy, had changes in equity due to conversion of convertible bonds, and this transaction resulted in an increase in the non-controlling interest by \$708,057 and an increase in the equity attributable to owners of the parent by \$214,399. Refer to Note 6(20) for details.
- J. The Group's second-tier subsidiary, Foxwell Certification, increased its capital by issuing new shares in May 2024, and reserved certain shares for employee preemption in accordance with regulations. The Group's shareholding ratio was decreased by 4.50% accordingly. This transaction resulted in an increase in the non-controlling interest and the equity attributable to owners of the parent by \$1,232 and \$118, respectively.

(36) Business combinations

A. Synergy Co., Ltd.

- (a) On January 17, 2025, the Group subscribed to the newly issued common shares of Synergy Co., Ltd. in cash amounting to \$800,010. The Group held 52.3% equity interests in Synergy and had control over Synergy after the subscription.
- (b) The allocation of the acquisition price of Synergy was completed for the year ended December 31, 2025. The fair value of the goodwill amounted to \$4,874.
- (c) The operating revenue included in the consolidated statement of comprehensive income since January 17, 2025 contributed by Synergy was \$42,183. Synergy also contributed loss before income tax of \$10,984 over the same period. Had Synergy been consolidated from January 1, 2025, the Group's operating revenue and loss before income tax for the year ended December 31, 2025 would increase by \$43,193 and \$9,583, respectively.

B. Smart Power System

- (a) The Group's sub-subsidiary, Foxwell Power, issued 3,328,571 ordinary shares on July 1, 2025 for the acquisition of shares of Smart Power System. The swap ratio was 1:1.4, in exchange for 35.85% of Smart Power System's issued and newly issued ordinary shares, totaling 4,660 thousand shares. Furthermore, on July 22, 2025, Foxwell Power acquired 3,000 thousand newly issued ordinary shares and 500 thousand issued ordinary shares of Smart Power System at a price of NT\$100 (in dollars) per share. Both aforementioned transactions resulted in a total acquisition of 51% of Smart Power System's shares. In addition, Foxwell Power obtained the control over Smart Power System. The company deeply cultivates the fields of power and energy for a long time, including power system analysis, microgrid construction and power equipment monitoring, etc. As a result of the acquisition, the Group is expected to increase its presence in the power market. It also expects to accelerate power integration in the Asian market and expand economic benefits through the development of related power system software.
- (b) The fair value totaling NT\$104 (in dollars) of the 3,328,571 ordinary shares issued as part of the consideration paid for Smart Power System was based on the published share price on July 1, 2025. The cost of issuing shares was a deduction item to capital surplus. Other acquisition

costs totaling \$160 were recognised in other expenses under the statements of comprehensive income.

- (c) The allocation of the acquisition price of Smart Power System was completed for the period from July 22, 2025 to December 31, 2025. The fair value of the acquired identifiable intangible assets (including computer software, customer relationships and patents) and goodwill amounted to \$344,550 \$236,360, respectively.
- (d) The operating revenue included in the consolidated statement of comprehensive income since July 22, 2025 contributed by Smart Power System was \$316,404. Smart Power System also contributed profit before income tax of \$28,166 over the same period. Had Smart Power System been consolidated from January 1, 2025, the Group's operating revenue and profit before income tax for the year ended December 31, 2025 would increase by \$416,267 and \$43,139, respectively.
- C. The following table summarises the consideration paid for Synergy and Smart Power System and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	Smart Power System	Synergy
Purchase consideration		
Cash paid	\$ 350,000	\$ 800,010
Market price of new shares issued	<u>346,171</u>	<u>-</u>
Contingent consideration		
	696,171	800,010
Fair value of equity interest held before the business combination	-	36,815
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	<u>441,780</u>	<u>758,302</u>
	<u>1,137,951</u>	<u>1,595,127</u>
Fair value of the identifiable assets acquired and liabilities assumed		
Cash	385,563	1,543,472
Contract assets	57,371	431
Accounts receivable	49,490	14,691
Other receivables	51	29
Prepayments	41,636	2,558
Other current assets	7,903	-
Financial assets at FVOCI	187,497	-
Investments accounted for using the equity method	26,304	-
Property, plant and equipment	3,011	136,496

	Smart Power	
	System	Synergy
Right-of-use assets	\$ 1,877	\$ 3,752
Intangible assets-computer software	10,095	-
Intangible assets-customer relationships	166,678	-
Intangible assets-patents	167,777	-
Refundable deposits	33,104	3,633
Current income tax assets	-	31
Notes payable	- (	375)
Accounts payable	- (	8,730)
Other payables	- (	2,431)
Contract liabilities	- (	756)
Other current liabilities	(156,801)	(11)
Lease liabilities	(1,937)	(3,993)
Deferred tax liabilities	(66,891)	-
Guarantee deposits received	(11,137)	-
Long-term borrowings	-	(98,544)
Total identifiable net assets	901,591	1,590,253
Goodwill	\$ 236,360	\$ 4,874

(37) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31, 2025	Year ended December 31, 2024
Purchase of property, plant and equipment	\$ 9,137,102	\$ 5,983,116
Add: Opening balance of payable on equipment	200,384	142,156
Less: Ending balance of payable on equipment	(634,533)	(200,384)
Capitalisation of depreciation	(42,090)	(23,235)
Cash paid during the year	\$ 8,660,863	\$ 5,901,653

B. The following table summarises the consideration paid by the Group's sub-subsidiary, Foxwell Power, for Billion Sun Energy Storage and Huijie Energy in April 2025 and May 2025, and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	Billion Sun	
	Energy Storage	Huijie Energy
Consideration received		
Cash	\$ 46,815	\$ 500
Carrying amount of the assets and liabilities		
Cash	3,819	130
Prepayments	1,031	1,162
Other current assets	15	358
Property, plant and equipment	-	27,417
Right-of-use assets	386,597	239,895
Prepayments for equipment	1,662	-
Refundable deposits	44,096	38,305
Other payables	(360)	(66,872)
Lease liabilities	(386,597)	(239,895)
Other current liabilities	(3,448)	-
Total net assets	46,815	500

(38) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including current portion)	Bonds payable	Lease liability	Liabilities from financing activities-gross
January 1, 2025	\$ 5,435,677	\$ 4,516,472	\$ 26,487,103	\$ 1,976,525	\$ 1,982,620	\$ 40,398,397
Changes in cash flow from financing activities	6,762,660	395,954	899,560	-	(120,539)	7,937,635
Changes in other non-cash items	-	-	73,425	51,759	(870,978)	(745,794)
Impact of changes in foreign exchange rate	(65,040)	-	-	-	(3,025)	(68,065)
December 31, 2025	<u>\$ 12,133,297</u>	<u>\$ 4,912,426</u>	<u>\$ 27,460,088</u>	<u>\$ 2,028,284</u>	<u>\$ 988,078</u>	<u>\$ 47,522,173</u>

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including current portion)	Lease liability	Lease liability	Liabilities from financing activities-gross
January 1, 2024	\$ 9,180,124	\$ 4,005,614	\$ 6,498,457	\$ 2,851,779	\$ 415,854	\$ 22,951,828
Changes in cash flow from financing activities	(3,776,751)	510,858	19,880,419	-	(161,122)	16,453,404
Changes in other non-cash items	32,304	-	108,227	(875,254)	1,722,937	988,214
Impact of changes in foreign exchange rate	-	-	-	-	4,951	4,951
December 31, 2024	<u>\$ 5,435,677</u>	<u>\$ 4,516,472</u>	<u>\$ 26,487,103</u>	<u>\$ 1,976,525</u>	<u>\$ 1,982,620</u>	<u>\$ 40,398,397</u>

7. Related Party Transactions

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Cheng Uei Precision Industry Co., Ltd. (Cheng Uei)	Ultimate parent
Fugang Electronic (Dongguan) Co., Ltd. (FGEDG)	Other related party
Fugang Electronic (Xuzhou) Co., Ltd. (FG XuZhou)	Other related party
VA Product Inc. (VA)	Other related party
Studio A Inc. (Studio A)	Other related party
Straight A Inc. (Straight A)	Other related party
Sharetronic Data Technology Co., Ltd. (Sharetronic)	Other related party
Dongguan Fuqiang Electronics Co., Ltd. (DGFAQ)	Other related party
Central Motion Picture Corporation (Central Motion Picture)	Other related party
Kunshan Fugang Electric Trading Co., Ltd. (KFET)	Other related party
Foxlink India Electric Private Limited	Other related party
Fugang Electric (Kunshan) Co., Ltd.	Other related party
Foxlink Technical India Private Ltd.(Foxlink India)	Other related party
Hon Hai Precision Industry Co., Ltd. (Hon Hai)	Other related party
Deepwaters Digital Support Inc. (Deepwaters)	Other related party
Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFE)	Other related party
Fushineng Electronics (Kunshan) Co., Ltd. (Fushineng Kunsha)	Other related party
Foxlink Taiwan Industry Co., Ltd.	Other related party
Hsin Hung International Investment Co., Ltd. (Hsin Hung)	Other related party
Foxlink International Investment Ltd. (FII)	Other related party
Foxlink Vietnam Co., Ltd. (Foxlink Vietnam)	Other related party
Billion Watts Technologies Co., Ltd.	Associates
Hong Ju Energy Co., Ltd.	Associates
Zhi Wang Systems Co., Ltd.	Other related party
Foxlink Da Nang Electronics Co., Ltd.	Other related party
Synergy Co., Ltd. (Synergy)	Former associates (Note 1)
Fortune Electric Extra High Voltage Co., Ltd.(Fortune Electric)	Other related party (Note 2)
Straight A Limited(Straight A Hong Kong)	Associates
Studio A Technology Limited (Studio A Hong Kong)	Associates
UbiLink AI Co., Ltd. (UbiLink)	Associates
Cheng Shin Digital Co., Ltd. (Cheng Shin Digital)	Associates
Changpin Wind Power Ltd.(Changpin)	Joint Venture
Billion Power System Technologies INC	Associates (Note 3)
Li Qiu Hui	Other related party
Guo Zheng-Qian	Other related party
Shanghai Biaogan Information Technology Co., Ltd.	Other related party

Note 1: As the Group's sub-subsidiary, Shinfox Energy, acquired 50% equity interest in Synergy, Synergy was changed to the Group's subsidiary from an associate since January 17, 2025.

Note 2: The Group's sub-subsidiary, Shinfox Energy, acquired 50% equity interest in Synergy on January 17, 2025. The company is the director of Synergy, thus, the company became an other related party since January 17, 2025.

Note 3: As the associate, Billion Power Technologies INC, was resolved to dissolve, the company became a non-related party since December 10, 2025.

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31,	
	2025	2024
Joint venture	\$ 659,660	\$ 515,557
Other related parties	72,564	74,826
Associates	55,562	348,069
Cheng Uei	33,889	350,973
	<u>\$ 821,675</u>	<u>\$ 1,289,425</u>

(a) Goods sold to the abovementioned related parties are based on mutual agreement and are not sold to the third parties. The collection terms are 90 to 120 days after monthly billings.

(b) The Group entered into contracted construction agreements with related parties and charged construction revenue, service revenue and electricity sales revenue from related parties. The transaction price and credit terms are the same with the market situation or the general customers.

(c) Unfulfilled construction contracts

As of December 31, 2025 and 2024, the total contract value, aggregate contacted amount and the year expected to recognise revenue for the unsatisfied performance obligations, arising from the significant construction contracts signed by the Group with related parties, are as follows:

Year	Transaction price	Remaining performance obligations	Expected timing of revenue recognition
December 31, 2025	\$ 3,297,150	\$ 1,999,709	Year 2026~2027
December 31, 2024	3,850,748	2,603,705	Year 2025~2027

B. Purchases

	Year ended December 31,	
	2025	2024
Purchases of goods:		
Associates	\$ 6,445	\$ 3,684
Other related parties	443	1,044
Cheng Uei	-	68
	<u>\$ 6,888</u>	<u>\$ 4,796</u>

	Year ended December 31,	
	2025	2024
Cost of engineering sales:		
Joint ventures	\$ 15,938	\$ -
Other related parties	1,721	1,625
Associates	400	5,713
	<u>\$ 18,059</u>	<u>\$ 7,338</u>
Other operating costs:		
Other related parties	<u>\$ 36,355</u>	<u>\$ -</u>

The prices and terms are determined in accordance with mutual agreement, and the payment term is 90 to 120 days after monthly billings. The remaining cost of engineering sales is calculated based on the contracted construction agreement entered into using market quotes.

C. Receivables from related parties

	Year ended December 31,	
	2025	2024
Cheng Uei	\$ 30,753	\$ 19,474
Associates	4,859	4,806
Other related parties	3,216	4,343
	<u>\$ 38,828</u>	<u>\$ 28,623</u>

The payments of the transactions between the Group and the abovementioned related parties are calculated based on the actual amount incurred and paid monthly.

D. Other income

(a) Rental revenue

	Year ended December 31,	
	2025	2024
Sharetronic	\$ 50,869	\$ 50,961
Cheng Uei	12,893	17,440
	<u>\$ 63,762</u>	<u>\$ 68,401</u>

The Group holds various lease agreements with related parties based on the market price. The leases were collected on a monthly basis.

(b) Other income

	Year ended December 31,	
	2025	2024
Cheng Uei	\$ 127,369	\$ 105,441
Joint venture	\$ 1,800	\$ 1,800
Other related parties	2,577	3,532
	<u>\$ 131,746</u>	<u>\$ 110,773</u>

The contract period that the Group provides related party management services is from January

1, 2025 to December 31, 2025 and from January 1, 2024 to December 31, 2024, respectively, and the transactions price and payment terms are determined based on the contract.

E. Receivables from related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable:		
Associates	\$ 30,637	\$ 115,417
Other related parties	12,089	11,432
Cheng Uei	9,528	11,447
Joint Venture	2,415	100,000
	<u>\$ 54,669</u>	<u>\$ 238,296</u>
Other receivables:		
Sharetronic	\$ 5,951	\$ -
STUDIO A	1,966	1,845
Associates	364	149
Other related parties	192	2,158
Cheng Uei	386	37
	<u>\$ 8,859</u>	<u>\$ 4,189</u>

Other receivables are mainly rental income, human support income and advance.

F. Contract assets (contract liabilities)

(a) The Group's contract assets are construction from the ultimate parent company, Cheng Uei:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Aggregate costs incurred	\$ -	\$ 305,591
plus recognised profits		
Less: Progress billings	-	(306,000)
Net balance sheet position		
for construction in progress	<u>\$ -</u>	<u>(\$ 409)</u>
Presented as:		
Current contract assets	\$ -	\$ -
Current contract liabilities	-	(409)
	<u>\$ -</u>	<u>(\$ 409)</u>

As of December 31, 2025 and 2024, there were no promissory notes arising from construction contract transactions with the ultimate parent company, Cheng Uei.

(b) The Group's contract assets are energy storage construction from the associate, Cheng Shin Digital:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Aggregate costs incurred	\$ –	\$ 256,190
plus recognised profits		
Less: Progress billings	<u>–</u>	<u>(256,190)</u>
Net balance sheet position		
for construction in progress	<u>\$ –</u>	<u>\$ –</u>
Presented as:		
Current contract assets	<u>\$ –</u>	<u>\$ –</u>

The Group's construction contract transactions with the associate, Cheng Shin Digital, were all completed in 2024. As of December 31, 2025 and 2024, pledged time deposits for warranty arising from the abovementioned construction contract transactions amounted to \$27,218 and \$26,900, respectively, which were shown as 'non-current financial assets at amortised cost'.

(c) The contract assets of the Group's sub-subsidiary, Smart Power System, are energy storage construction from other related party, Zhi Wang Systems:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Aggregate costs incurred	\$ 9,543	
plus recognised profits		\$ –
Less: Progress billings	<u>(9,000)</u>	<u>–</u>
Net balance sheet position		
for construction in progress	<u>\$ 543</u>	<u>\$ –</u>
Presented as:		
Current contract assets	<u>\$ 543</u>	<u>\$ –</u>

As of December 31, 2025 and 2024, there were no promissory notes arising from construction contract transactions with other related party, Zhi Wang Systems.

(d) The Group's contract assets are construction from the joint venture, Changpin:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Aggregate costs incurred	\$ 1,277,157	\$ 627,912
plus recognised profits		
Less: Progress billings	<u>(1,304,289)</u>	<u>(442,185)</u>
Net balance sheet position		
for construction in progress	<u>(\$ 27,132)</u>	<u>\$ 185,727</u>
Presented as:		
Current contract assets	\$ –	\$ 185,727
Current contract liabilities	<u>(27,132)</u>	<u>–</u>
	<u>(\$ 27,132)</u>	<u>\$ 185,727</u>

As of December 31, 2025 and 2024, promissory notes arising from construction contract transactions with the joint venture, Changpin, both amounted to \$170,437.

(e) The Group's contract assets are energy storage construction from other related party, Hon Hai:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Aggregate costs incurred plus recognised profits	\$ 4,730	\$ 3,678
Less: Progress billings	(4,024)	(4,024)
Net balance sheet position for construction in progress	<u>\$ 706</u>	<u>(\$ 346)</u>
Presented as:		
Current contract assets	\$ 706	\$ -
Current contract liabilities	<u>-</u>	<u>(346)</u>
	<u>\$ 706</u>	<u>(\$ 346)</u>

As of December 31, 2025 and 2024, there were no promissory notes arising from construction contract transactions with other related party, Hon Hai.

G. Payables to related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable:		
Joint Venture	\$ 15,938	\$ -
Associates	<u>494</u>	<u>99</u>
	<u>\$ 16,432</u>	<u>\$ 99</u>
Other payables:		
Cheng Uei	\$ 10,168	\$ 9,497
Associates	<u>1,564</u>	<u>634</u>
Other related parties	<u>4,603</u>	<u>3,684</u>
	<u>\$ 16,335</u>	<u>\$ 13,815</u>

(a) Payables to related parties mainly arose from purchases, and the payment terms are 90 to 120 days after monthly billings.

(b) Other payables to related parties mainly arose from interest, management, legal and system maintenance fees payable.

H. Property transactions

(a) Acquisition of financial assets:

		No. of shares		Year ended December 31, 2025	
	Accounts	(in thousand shares)	Objects	Consideration	
Associates	Investments accounted	100,000	shares	\$	100,000
-Cheng Shin Digital	for using equity method				
Joint venture	Investments accounted	16,400	shares		16,400
-Changpin	for using equity method				
				\$	116,400
		No. of shares		Year ended December 31, 2024	
	Accounts	(in thousand shares)	Objects	Consideration	
Associates	Investments accounted	4,795	shares	\$	47,946
-Cheng Shin Digital	for using equity method				
Joint venture	Investments accounted	15,000	shares		150,000
-Changpin	for using equity method				
				\$	197,946

(b) Acquisition of property, plant and equipment:

	Year ended December 31, 2025	Year ended December 31, 2024
Other related parties	\$ 1,185	\$ -

I. Lease transactions — lessee

(a) The Group leases buildings from the ultimate parent company and other related parties. Rental contracts are typically made for periods from 2013 to 2030. Rents are paid monthly.

(b) Acquisition of use-of-right assets

	Year ended December 31, 2025	Year ended December 31, 2024
Other related parties	\$ 17,486	\$ 5,027
Cheng Uei	-	3,222
	\$ 17,486	\$ 8,249

(c) Lease liability

i. Outstanding balance

	December 31, 2025	December 31, 2024
Cheng Uei	\$ 66,961	\$ 91,959
Other related parties	13,265	4,159
	\$ 80,226	\$ 96,118

ii. Interest expense

	Year ended December 31,	
	2025	2024
Cheng Uei	\$ 1,287	\$ 1,627
Other related parties	276	62
	<u>\$ 1,563</u>	<u>\$ 1,689</u>

J. Loans from related parties: (For the year 2025: None)

Borrowings from related parties

(a) For the year ended December 31, 2024, the balance of loans from related parties amounted to \$0.

(b) Interest expense:

	Year ended December 31,
	2024
Cheng Uei	<u>\$ 84,493</u>

The loans from related parties are repayable based on the agreement and carry interest at 8% per annum.

K. Loans to others and guarantee/endorsement: Please refer to Note 13(1) B.

(3) Key management compensation

	Year ended December 31,	
	2025	2024
Salaries and other short-term employee benefits	\$ 85,202	\$ 87,968
Post-employment benefits	2,868	2,895
	<u>\$ 88,070</u>	<u>\$ 90,863</u>

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

<u>Pledged asset</u>	<u>Book value</u>	<u>Book value</u>	<u>Purpose</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>	
Restricted bank deposits and pledged time deposits(shown as financial assets at amortised cost-current)	\$ 4,940,666	\$ 6,962,407	Letters of guarantee for construction performance, short-term borrowings, impound and guarantee notes, etc.
Guarantee deposits paid (shown as other current assets)	109,770	998,955	Guarantee for construction performance, performance bond
Guarantee deposits paid (shown as other non-current assets)	662,514	446,480	Guarantee for electric energy transfer, deposits, guarantee and customs deposit
Restricted bank deposits and pledged time deposits(shown as financial assets at amortised cost- non-current)	1,144,467	601,970	Impound, bond guarantee, performance guarantee and guarantee for development plan
Property, plant and equipment	12,973,602	8,624,727	Short-term and long-term borrowings
Investment property			Short-term and long-term borrowings
	-	112,906	
	<u>\$ 19,831,019</u>	<u>\$ 17,747,445</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

A. The Group's subsidiary, Shih Fong Power Co., Ltd. ("Shih Fong"), carried out the "Shih Fong Power's FongPing River and Its Tributary Hydroelectric Project" (the "Project") in Hualien County and planned to build a weir in FongPing River for hydropower plants to generate electricity. Since 2000, the Company has successively obtained the permit to build the infrastructure as an electricity enterprise and the work permit to operate power generation equipment as an electricity enterprise (the "Work Permit"). As the construction was unable to be completed on time, an extension was applied for according to the law year by year and the Work Permit was obtained as approved and issued by the Ministry of Economic Affairs. Certain litigations that ensued during the period of application for the renewal of the Work Permit were as follows:

(a) Administrative Appeal

The local indigenous peoples (the "Petitioners") filed a petition on May 14, 2021 with the Administrative Appeals Committee of the Executive Yuan (AAC), requesting "the suspension of the Project" and "the revocation of work permit in 2021 issued by the Ministry of Economic Affairs". Regarding the dispute with the former, the administrative appeal was dismissed from the AAC on May 31, 2021; and regarding the dispute with the latter, the decision of administrative appeal was rendered by the AAC on March 3, 2022 and the original administrative action was revoked.

In accordance with the decision of the AAC, the Ministry of Economic Affairs sent a letter to Shih Fong on March 10, 2022, ordering it to consult and obtain consent and participation from the indigenous peoples or tribes. Shih Fong disagreed with the judgement and filed an administrative litigation according to the law on April 29, 2022, requesting the Executive Yuan to revoke the decision of administrative appeal of Shih Fong's Work Permit in 2021. Currently, the case trial has been initiated by the court on November 9, 2022, and the case was dismissed by the Taipei High Administrative Court on March 14, 2024.

(b) Administrative litigation

The Petitioners disagreed with the decision to dismiss on May 31, 2021 by the AAC and filed an administrative litigation with the Taipei High Administrative Court (THAC). On December 3, 2021, the THAC rendered a judgement that the Project is suspended until the administrative litigation is finalised. The Ministry of Economic Affairs and Shih Fong disagreed with the abovementioned judgement and filed an counterappeal with the Supreme Administrative Court (SAC). On March 31, 2022, the SAC revoked the original verdict, excluding certain final judgements.

However, in order to conduct the construction smoothly in the future and respect the will of local peoples, Shih Fong sent a letter to the Zhuoxi Township Office on April 7, 2022, requesting it to consult and obtain consent from the tribes. Shih Fong completed relevant tribal consultation and obtained a majority of consent in December 2022 and sent a letter to the Bureau of Energy to report the results of the tribal consultation. Shih Fong had obtained the renewal Work Permit in 2021 and 2022 in December 2022 and the Work Permit in 2023 was renewed by the Ministry of Economic Affairs in February 2023. However, the Petitioners disagreed with the issuance of the Work Permit in 2023 by the Ministry of Economic Affairs and requested for a suspension until the administrative litigation is finalised. On September 28, 2023, the Supreme Court issued a ruling that “the execution shall be stayed until the administrative litigation is concluded and the certain litigation expenses shall all be abandoned.” The Petitioners disagreed with the decision of dismiss on February 6, 2024 by the AAC and filed an administrative litigation with the THAC. The court’s verdict is not made as of March 30, 2026.

Shih Fong had obtained the renewal Work Permit between 2024 and 2026 in February 2024 which will be valid until December 31, 2026. However, the Petitioners disagreed with the issuance of the Work Permit in 2024 by the Ministry of Economic Affairs and requested for a suspension and revocation of the issuance of the Work Permit in 2024 until the administrative litigation is finalised. The Petitioners of the aforementioned case disagreed with the decision of dismiss on August 5, 2024 by the AAC and filed an administrative litigation with the THAC. The case is under the judgement of the AAC. The court had not yet rendered a verdict as of March 30, 2026.

- B. The Group’s subcontractor (Xincheng Co., Ltd.) requested compensation from Shinfox Energy as it had objections to the payment of the construction. In May 2022, the court’s first instance judgement was rendered. According to the judgement, Shinfox Energy shall pay \$1,257 and its penalty interest to Xincheng Co., Ltd., and the Company’s other litigations were dismissed. Shinfox Energy and Xincheng Co., Ltd. both disagreed with the judgement and filed an appeal. As of review reporting date, the case is still under trial with the court of second instance. However, since the final ruling has not yet been rendered by the court, it is unable to reasonably determine the exact amount of possible compensation. As of March 30, 2026, the case is still under trial with the court of second instance. Shinfox Energy will actively defend aforementioned litigation. However, due to the nature of unpredictability of legal cases, it is unable to reasonably determine the exact amount of possible compensation. The management assessed that the amount of the loss is not material to the financial statements.

- C. The Group's second-tier subsidiary, Foxwell Energy Corporation Ltd. ("Foxwell Energy"), entered into a 'Transportation and Installment Contract of Wind Turbines in Wind Farm Site No. 26' with a Singapore contractor, Teras Offshore Pte. Ltd. As the contractor failed to submit the essential documents within the time frame prescribed in the contract, Foxwell Energy has the right to revoke the contract and has notified the contractor in writing of the termination of the contract. After receiving the written notice from Foxwell Energy, the contractor entrusted a lawyer on December 11, 2021 to request for compensation from Foxwell Energy, and state that it will refer the matter to arbitration if the compensation is not paid. On December 24, 2021, Foxwell Energy also appointed a lawyer to send a letter stating that it was a lawful termination of the contract and it reserves the right to claim compensation from the contractor. As of March 30, 2026, Foxwell Energy has not yet received the notice of arbitration submitted by the contractor to the arbitration institution, and the termination of the contract has no impact on the original construction contract and subsequent performance obligations.
- D. On August 13, 2020, the Group's sub-subsidiary, Foxwell Energy, entered into an equipment procurement contract and an operation and maintenance contract with Taiwan Power Company ("Taiwan Power") for the Phase II of Taipower's Offshore Wind Power Project and the "Wind Farm Property Procurement and Installation Project" amounting to \$56,588,000 and \$6,300,000, respectively. The terms of the equipment procurement contract specifies that Foxwell Energy shall complete the foundation construction for wind turbine generator system and offshore substation as of September 30, 2024, shall complete all wind turbine generator system which shall be under the security constrained dispatch process as of September 30, 2025, shall complete the whole construction as of December 31, 2025 and shall provide 2-year warranties from the date of completion and acceptance of the whole construction. In addition, the equipment shall provide guaranteed generating capacity. The performance term of this project is divided into stages progress and the final completion deadline. The default penalty shall be computed until the termination date of the contract according to each stage of the project. The operation and maintenance contract specifies the terms such as the guaranteed annual availability and default penalty of all wind turbine generator system as well as the relevant rights and obligations of both parties. The contract period is 5 years from the time when all wind turbine generator systems are under the security constrained dispatch process. However, Foxwell Energy began construction in June 2024 with the completion of the heavy lift vessels, the project encountered consecutive typhoons and sudden strong winds that damaged the crane of the heavy lift vessels, necessitating repairs back at Taichung Port. This affected the installation schedule of the substructures for wind turbine. Since Foxwell Energy took on the contract, global inflation, rate hike, wars and other force majeure or uncontrollable events have led to increase international offshore wind power costs and a shortage of the large construction vessels. Therefore, Foxwell Energy Co., Ltd. had applied for an extension of the completion deadline to Taiwan Power in accordance with the contract terms and legal provisions in September 2024. Foxwell Energy obtained a letter from

Taiwan Power, stating that catching up to the construction work is the priority goal and the applied matters are pending for further evidence. In June 2025, Foxwell Energy submitted the project to the Public Construction Commission (“PCC”) for mediation in accordance with the contract for the Phase II of Taipower’s Offshore Wind Power Project and the “Wind Farm Property Procurement and Installation Project”. As of March 30, 2026, Foxwell Energy had received confirmation from Taiwan Power Company that the total extension period was 96.5 days. However, as the future development of this mediation case is currently unpredictable, and given the anticipated delays in the project due to engineering incidents that occurred for the year ended December 31, 2025, Foxwell Energy is liable for compensation for the delayed work in accordance with the contract. Therefore, the Group recognised a provision for potential losses. Please refer to Note 6(23) for details.

- E. There were disputes arising from the contract between the Group’s sub-subsidiary, SFE, and the subcontractors, Bernhard Weyres GmbH and Success Overseas International Corporation, during the construction execution period. Bernhard Weyres GmbH sent a letter and claimed that certain parts were lost in the process of returning the equipment. In addition, Bernhard Weyres GmbH claimed for compensation for equipment operation expenses, spare equipment expenses and demobilization expenses. Success Overseas International Corporation sent a letter and claimed for rents of the related equipment and construction expenses from SFE due to adjustment of construction progress, of which the abovementioned amount included the estimated rents and construction expenses for the periods when the equipment was not actually in use. Although the subcontractors claimed the amounts, they did not provide specific evidence or basis which was sufficient to support their loss calculations reasonably. In addition, the related attribution of responsibilities is pending for being clarified. As of March 30, 2026, the subcontractors have not formally appointed lawyers to file a complaint or bring specific legal claims against SFE. Thus, the Group did not accrue provisions related to the disputes for the year ended December 31, 2025.

(2) Commitments

- A. As of December 31, 2025 and 2024, due to the performance guarantee of contracting the Phase II of Taipower’s Offshore Wind Power Project, the “Wind Farm Property Procurement and Installation Project”, the amounts of bank deposits and time deposits pledged by the Group to the banks (recorded as “Financial Assets at Amortised Cost”) were \$1,644,520 and \$5,414,904, respectively.
- B. As of December 31, 2025 and 2024, the endorsement/guarantee amounts of credit line of the syndicated loan guaranteed by using the letters of guarantee issued by the subcontractor were \$600,012 and \$3,832,012, respectively.
- C. Except as described in Note 9(2) A. and B., the Group’s second-tier subsidiary, Shinfox Energy, provided performance guarantee on the subcontracted construction and the credit line on the guaranteed amount to the Group’s second-tier subsidiary, Foxwell Energy amounting to \$24,035,547 and \$30,095,801 as of December 31, 2025 and 2024, respectively.

D. As of December 31, 2025 and 2024, in addition to the significant construction contracts listed in Note 6 (27), the letters of guarantee to be issued by the bank, which are required for performance guarantee under the contracted construction, purchasing renewable energy contracts, the warranty, and land leases for commercial port facilities, amounted to \$533,333 and \$453,584, respectively.

E. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2025	December 31, 2024
Equipment procurement contract		
Contract consideration	\$ 4,441,064	\$ 8,847,162
Unpaid amount	\$ 2,159,800	\$ 5,988,776
	December 31, 2025	December 31, 2024
Construction contract		
Contract consideration	\$ 62,535,004	\$ 53,514,259
Unpaid amount	\$ 15,111,887	\$ 20,679,006

F. As of December 31, 2025 and 2024, the commitment information related to the total consideration of significant construction contracts that the Group entered into with owners and the amount of unsatisfied performance obligations are provided in Notes 6(27) and 7(2).

G. The Group entered the operation and maintenance contract with Changyuan Wind Power Ltd., Beiyuan Wind Power Ltd. and Shinfox Power Co., Ltd. for WTGS and solar energy equipment. The contract specifies the terms such as the bonus and penalty of operation and maintenance as well as the relevant rights and obligations of both parties. The contract period is 20 years from the parallel connection date.

H. The Group's second-tier subsidiary, Foxwell Power, entered into a renewable energy purchase contract with the electricity enterprise. The yearly minimum purchase quantity and price were agreed in the contract. If the Group did not purchase the agreed quantity of electricity according to the contract, the Group had default obligations. As of December 31, 2025, the Group has no default arising from this contract.

I. The Group's second-tier subsidiary, Foxwell Power, entered into renewable energy sales contracts with power customers. The performance period of power sales and the committed yearly minimum power sales were agreed in the contract. If the Group did not provide the agreed quantity of electricity according to the contract, the Group had default obligations. As of December 31, 2025, the Group has no default arising from this contract.

10. Significant Disaster Loss

None.

11. Significant Subsequent Events

A. To expand the business in the market in Mainland China and strengthen the competitiveness, the Board of Directors of the Group's sub-subsidiary, Foxwell Power, on January 21, 2026 adopted a resolution to acquire 100% equity interest in Chengdu Xinfuwei Energy Co., Ltd., which was held by

the Group's sub-subsidiary, Shinfox Energy, for \$124,938.

- B. To increase the working capital and introduce strategic investors, the Board of Directors of the Group's sub-subsidiary, Foxwell Power, on March 3, 2026 adopted a resolution to raise additional cash through private placement. Within the limit of 15,000 thousand shares and depending on the capital market conditions, the Board of Directors was authorised to increase the capital by issuing ordinary shares through private placement, in full or installments, starting from the day of shareholders' meeting within one year.
- C. The sole director of the Group's sub-subsidiary, ZhiShin Energy, on December 10, 2025 adopted a resolution to increase its capital by issuing 399 thousand new shares with a par value of NT\$10 (in dollars) per share. The effective date was set on January 6, 2026. The Group's sub-subsidiary, Foxwell Power, participated in the abovementioned capital increase.
- D. The Board of Directors of the Group's sub-subsidiary, Synergy, on January 21, 2026 adopted a resolution to acquire 100% equity interest in Fox Nam Energy Co., Ltd. and 35% equity interest in Dakpsi Investment and Develop Hydroelectric Stock Company, which were originally held by the Group's sub-subsidiary, Shinfox Energy. The estimated investment amount was \$113,400 and \$642,600, respectively.
- E. To increase the working capital, the Board of Directors of the Group's sub-subsidiary, Foxwell Power, on December 24, 2025 adopted a resolution to increase its capital by issuing 130,000 thousand new shares with a par value of NT\$10 (in dollars) per share, of which 70,000 thousand shares and 60,000 thousand shares were set effective on December 25, 2025 and February 11, 2026, respectively. As of March 30, 2026, the registration of 60,000 thousand shares has not been completed.
- F. The Board of Directors of the Group's sub-subsidiary, Foxwell Power, on March 10, 2026 adopted a resolution to increase its capital by issuing 70,000 thousand new shares with a par value of NT\$10 (in dollars) per share. The effective date was set on March 14, 2026. As of March 30, 2026, the registration has not been completed.
- G. Considering the overall operations of the Phase II of the offshore construction plan and the performance risk control, the Board of Directors of the Group's sub-subsidiary, Foxwell Power, on March 30, 2026 adopted a resolution to adjust the total budget costs of the project in order to ensure smooth construction progress since Foxwell Energy assessed that the estimated total costs would increase significantly.
- H. To revitalize capital and improve the efficiency of capital utilization, the Board of Directors of the Group's sub-subsidiary, Shinfox Energy, on February 3, 2026 adopted a resolution to sell up to 10,000 shares of ordinary shares of the Group's sub-subsidiary, Foxwell Power.
- I. To increase the working capital and introduce strategic investors, the Board of Directors of the Group's sub-subsidiary, Shinfox Energy, on March 30, 2026 adopted a resolution to raise additional cash through private placement. Within the limit of 93,750 thousand shares and depending on the capital market conditions, the Board of Directors was authorised to increase the capital by issuing ordinary shares through private placement, in full or installments, starting from the day of

shareholders' meeting within one year.

J. On January 7, 2025, the Group's sub-subsidiary, SFE, entered into a ship conversion contract with a third-party shipyard. As of December 31, 2025, there was an unpaid balance of US\$2,820 thousand. Due to the factors such as changes in ship design, both parties entered into the supplementary settlement on January 5, 2026. The total consideration of the supplemental agreement amounted to US\$12,401 thousand, which had not been paid. According to the contract, SFE should pay the remaining amount before the end of January 2026. As of March 30, 2026, SFE received a letter from the lawyer appointed by the shipyard, claiming that SFE did not pay the amount of approximately US\$15,221 thousand according to the contract and requesting the default interest calculated at 6% per annum from February 1, 2026 as stipulated in the contract. In addition, the letter also stated that if SFE failed to fulfill its payment obligations within the deadline, the shipyard would commence arbitration or other legal proceedings to pursue relevant responsibilities. Since both parties are still in the stage of negotiation, the final result remains uncertain and the related effect cannot be estimated.

K. Since the Group's sub-subsidiary, SFE, did not pay the certain amount related to the ship, the relevant creditors filed for a provisional attachment of the operation support ship held by SFE in accordance with Paragraph 1 of Article 114 of the Enforcement Law with the Taiwan Taichung District Court. As of March 30, 2025, SFE is negotiating with the creditors regarding settlement and the release of the attachment on the ship. The final negotiation result remains uncertain. However, the Group has assessed the nature and the amount of obligation for the related debt based on available information and recognized the most likely amount as the related accounts payable and expenses.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 739</u>	<u>\$ 4,074</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	<u>\$ 2,841,182</u>	<u>\$ 4,476,446</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 7,746,562	\$ 7,928,276
Financial assets at amortised cost	7,443,714	8,267,621
Notes receivable	26,630	13,019
Accounts receivable(including related parties)	1,596,572	1,858,456
Other receivables(including related parties)	735,205	33,041
Guarantee deposits paid	<u>785,395</u>	<u>1,465,748</u>
	<u>\$ 18,334,078</u>	<u>\$ 19,566,161</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 12,133,297	\$ 5,435,677
Short-term notes and bills payable	4,912,426	4,516,472
Notes payable	137	8,102
Accounts payable (including related parties)	6,339,356	4,025,052
Other payables(including related parties)	1,982,214	1,419,918
Long-term borrowings (including current portion)	29,488,372	26,487,103
Guarantee deposits received	<u>47,999</u>	<u>34,206</u>
	<u>\$ 54,903,801</u>	<u>\$ 41,926,530</u>
Lease liability	<u>\$ 988,078</u>	<u>\$ 1,982,620</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group entities are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.

- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2025			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 57,597	31.4300	\$ 1,810,274
RMB:NTD	126,153	4.4716	564,106
JPY:NTD	15,289	0.2008	3,070
HKD:NTD	8,195	4.0380	33,091
EUR:NTD	182	36.9000	6,716
HKD:RMB	3,081	0.9032	12,441
USD:RMB	4,633	7.0288	145,623
USD:HKD	13,467	7.7836	423,267
SGD:USD	54	0.7779	1,288
USD:VND	1,413	26,192.0000	44,425
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 47,270	31.4300	\$ 1,485,696
RMB:NTD	15,091	4.4716	67,481
JPY:NTD	31,417	0.2008	6,309
USD:RMB	2,464	7.0288	77,443
USD:HKD	2,005	7.7836	63,017
SGD:USD	592	0.7779	14,124
EUR:USD	5,700	1.1740	210,337
December 31, 2024			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 72,282	32.7850	\$ 2,369,765
RMB:NTD	70,623	4.4780	316,250
HKD:NTD	3,540	4.2220	14,946
EUR:NTD	166	34.1400	5,667

December 31, 2024			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
HKD:RMB	3,074	0.9260	12,978
USD:RMB	17,379	7.1884	569,771
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 25,044	32.7850	\$ 821,068
RMB:NTD	7,045	4.4780	31,548
USD:RMB	2,958	7.1884	96,978
USD:HKD	867	7.7653	28,425
JPY:NTD	45,403	0.2099	9,530

D. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024, amounted to \$54,947 and \$261,647, respectively.

E. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2025					
Sensitivity analysis					
	Degree of variation		Effect on profit or loss before tax		Effect on other comprehensive income
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$	18,103	\$	-
RMB:NTD	1%		5,641		-
JPY:NTD	1%		31		-
HKD:NTD	1%		331		-
EUR:NTD	1%		67		-
HKD:RMB	1%		124		-
USD:RMB	1%		1,456		-
USD:HKD	1%		4,233		-
SGD:USD	1%		13		-
USD:VND	1%		444		-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$	14,857	\$	-
RMB:NTD	1%		675		-
JPY:NTD	1%		63		-
USD:RMB	1%		774		-
USD:HKD	1%		630		-
SGD:USD	1%		141		-
EUR:USD	1%		2,103		-

Year ended December 31, 2024				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss before tax	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	23,698	\$ -
RMB:NTD	1%		3,162	-
HKD:NTD	1%		149	-
EUR:NTD	1%		57	-
HKD:RMB	1%		130	-
USD:RMB	1%		5,698	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	8,211	\$ -
RMB:NTD	1%		315	-
USD:RMB	1%		970	-
USD:HKD	1%		284	-
JPY:NTD	1%		95	-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares issued by listed and unlisted companies at home and abroad. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, profit net of tax for the years ended December 31, 2025 and 2024 would have increased/decreased by \$6 and \$33, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. And other components of equity would have increased/decreased by \$22,729 and \$35,812, respectively, as a result of other comprehensive income on equity investment classified at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term borrowings and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the years ended December 31, 2025 and 2024, the Group's borrowings were denominated in the NTD and USD.

- ii. If the borrowing interest rate had increased/decreased by 0.1% with all other variables held constant, profit, net of tax for the years ended December 31, 2025 and 2024 would have increased/decreased by \$35,605 and \$29,151, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The default occurs when the contract payments are past due over 90 days.
- v. The Group classifies customers' accounts receivable and contract assets in accordance with default situation. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- vi. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2025 and 2024, the provision matrix is as follows:

	Expected loss rate	Total book value	Loss allowance
<u>December 31, 2025</u>			
Not past due	0.02%~20.46%	\$ 1,403,413	\$ 13,332
Up to 30 days past due	0.02%~59.31%	156,940	8,701
31~90 days past due	0.02%~71.53%	4,479	896
91~180 days past due	100%	-	-
Over 181 days past due	100%	4,016	4,016
		<u>\$ 1,568,848</u>	<u>\$ 26,945</u>

	Expected loss rate	Total book value	Loss allowance
<u>December 31, 2024</u>			
Not past due	0.01%~4.54%	\$ 1,471,913	\$ 442
Up to 30 days past due	0.03%~21.84%	163,391	20,341
31~90 days past due	0.22%~66.59%	7,049	1,410
91~180 days past due	28.19%~100%	393	393
Over 181 days past due	100%	1,684	1,684
		<u>\$ 1,644,430</u>	<u>\$ 24,270</u>

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable and contract assets are as follows:

	<u>2025</u>
	<u>Accounts receivable</u>
At January 1	\$ 24,270
Provision for impairment	2,675
At December 31	<u>\$ 26,945</u>
	<u>2024</u>
	<u>Accounts receivable</u>
At January 1	\$ 23,635
Provision for impairment	679
Reversal of impairment loss	(44)
At December 31	<u>\$ 24,270</u>

(c) Liquidity risk

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

	Less than 1 year	Between 2 and 5 years	Over 5 years
December 31, 2025			
Short-term borrowings	\$ 12,218,336	\$ -	\$ -
Short-term notes and bills payable	4,922,400	-	-
Notes payable	137	-	-
Accounts payable	6,339,356	-	-
(including related parties)			
Other payables	1,982,214	-	-
(including related parties)			
Lease liability	154,671	370,794	608,976
Bonds payable	2,031,800	-	-
Long-term borrowings	17,758,845	10,376,516	346,605
(including current portion)			

Non-derivative financial liabilities

December 31, 2024	Less than 1 year	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 5,613,961	\$ -	\$ -
Short-term notes and bills payable	4,523,200	-	-
Notes payable	8,102	-	-
Accounts payable	4,025,052	-	-
(including related parties)			
Other payables	1,419,918	-	-
(including related parties)			
Lease liability	161,353	464,397	1,933,079
Bonds payable	-	2,031,800	-
Long-term borrowings	1,079,021	26,302,506	33,597
(including current portion)			

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market refers to a market in which transactions for an asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in unlisted stocks is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(12).

C. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

	December 31, 2025			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 2,028,284	\$ -	\$ 2,003,761	\$ -

	December 31, 2024			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 1,976,525	\$ -	\$ 1,966,376	\$ -

(b) The methods and assumptions of fair value estimate are as follows:

Bonds payable is measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2025 and 2024 are as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 739	\$ -	\$ -	\$ 739
Financial assets at fair value through other comprehensive income				
Equity securities	2,180,480	-	660,702	2,841,182
Embedded derivatives				
Put options of convertible bonds	-	-	-	-
	<u>\$2,181,219</u>	<u>\$ -</u>	<u>\$ 660,702</u>	<u>\$2,841,921</u>
December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,433	\$ -	\$ -	\$ 1,433
Financial assets at fair value through other comprehensive income				
Equity securities	3,964,041	-	512,405	4,476,446
Embedded derivatives				
Put options of convertible bonds	-	2,641	-	2,641
	<u>\$3,965,474</u>	<u>\$ 2,641</u>	<u>\$ 512,405</u>	<u>\$4,480,520</u>

E. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.
- (c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. Price information and parameters used in valuation was carefully assessed and was adjusted according to current market conditions.
- (f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

F. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	2025	2024
At January 1	\$ 512,405	\$ 439,724
Purchase	102,733	-
Transfer in	-	45,780
Gain recognised in other comprehensive income	45,672	24,325
Effect of exchange rate changes	(108)	2,576
At December 31	<u>\$ 660,702</u>	<u>\$ 512,405</u>

- H. For the years ended December 31, 2025 and 2024, information on transfers into Level 3 is provided in Note 6(3).
- I. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

		Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Unlisted shares	\$	135,671	Market comparable companies	Discount for lack of marketability	20%~50%	The higher the discount for lack of marketability, the lower the fair value
		525,031	Net asset value	Not applicable	–	Not applicable
		Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Unlisted shares	\$	46,452	Market comparable companies	Discount for lack of marketability	21.27%~50%	The higher the discount for lack of marketability, the lower the fair value
		465,953	Net asset value	Not applicable	–	Not applicable

K. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±5%	\$ -	\$ -	\$ 6,784	(\$ 6,784)
			December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±5%	\$ -	\$ -	\$ 2,322	(\$ 2,322)

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including 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 with investors in Mainland China directly or indirectly through other companies in the third areas :

Significant transactions with Mainland China invested companies directly or indirectly through third-party territories and their prices, payment terms, and unrealized gains/losses: please refer to Note 13(1)F for details on significant transactions between the Company and its subsidiaries with Mainland China invested companies for the year ended December 31, 2025.

14. Segment Information

(1) General information

The Group has classified the reportable operating segments based on product types. The Company's operations and segmentation are both developed according to the product types. The current main product types are: 3C component, systems and peripheral products, 3C product retail and others.

(2) Measurement of segment information

The Board of Directors assesses the performance of the operating segments based on the operating income (loss).

(3) Information about segment profit or loss, assets and liabilities

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

Year ended December 31, 2025

	Systems and peripheral products department	3C product retail department	3C component department	Energy service management	Adjustment and elimination	Total
Revenue from external customer	\$ 4,768,191	\$ 1,726,801	\$ 268,822	\$ 26,057,104	\$ -	\$ 32,820,918
Inter-segment revenue	-	10	-	7,000	(7,010)	-
Segment Revenue	<u>\$ 4,768,191</u>	<u>\$ 1,726,811</u>	<u>\$ 268,822</u>	<u>\$ 26,064,104</u>	<u>(\$ 7,010)</u>	<u>\$ 32,820,918</u>
Segment income (loss)	<u>\$ 863,412</u>	<u>\$ 37,483</u>	<u>(\$ 174,637)</u>	<u>(\$ 18,320,678)</u>	<u>(\$ 40,629)</u>	<u>(\$ 17,635,049)</u>

Year ended December 31, 2024

	Systems and peripheral products department	3C product retail department	3C component department	Energy service management	Adjustment and elimination	Total
Revenue from external customer	\$ 5,469,124	\$ 1,590,877	\$ 199,142	\$ 19,644,719	\$ -	\$ 26,903,862
Inter-segment revenue	-	-	-	8	(8)	-
Segment Revenue	<u>\$ 5,469,124</u>	<u>\$ 1,590,877</u>	<u>\$ 199,142</u>	<u>\$ 19,644,727</u>	<u>(\$ 8)</u>	<u>\$ 26,903,862</u>
Segment income (loss)	<u>\$ 889,371</u>	<u>(\$ 31,698)</u>	<u>(\$ 233,042)</u>	<u>\$ 1,161,391</u>	<u>(\$ 52,567)</u>	<u>\$ 1,733,455</u>

(4) Reconciliation for segment income (loss)

The external revenue and segment net income reported to the chief operating decision-maker are measured in a manner consistent with revenue and profit (loss) before tax in the financial statements. Therefore, no reconciliation was needed.

A reconciliation of reportable segment net income to the income before tax from continuing operations for the years ended December 31, 2025 and 2024 is provided as follows:

	Year ended December 31,	
	2025	2024
Reportable segments (loss) income	(\$ 17,635,049)	\$ 1,733,455
Unrealised financial instrument (loss) gains		
Non-operating income and expenses, net	(1,235,043)	216,932
(Loss) income before tax from continuing	(\$ 18,870,092)	\$ 1,950,387

(5) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31,			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 26,167,762	\$ 10,473,106	\$ 19,670,039	\$ 15,693,220
Hong Kong	1,921,287	316,057	1,805,798	344,099
China	1,492,659	1,315,422	1,743,758	1,169,414
USA	700,043	-	797,781	-
Others	2,539,167	11,600,267	2,886,486	71,981
	<u>\$ 32,820,918</u>	<u>\$ 23,704,852</u>	<u>\$ 26,903,862</u>	<u>\$ 17,278,714</u>

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31,			
	2025		2024	
	Revenue	Segment	Revenue	Segment
J Company	<u>\$ 23,077,207</u>	Energy service management	<u>\$ 16,528,678</u>	Energy service management

FIT HOLDING CO., LTD.

Loans to others

Year ended December 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2025	Balance at December 31, 2025	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral	Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted	Footnote
1	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Y	\$ 182,920	\$ 178,864	\$ 178,864	3.00%	2	-	Operations	-	-	\$ 1,189,338	\$ 1,189,338	
2	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables - related parties	Y	228,650	223,580	159,189	3.00%	2	-	Operations	-	-	392,925	392,925	
3	Power Quotient Technology (YANCHENG) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Y	228,650	223,580	223,580	3.00%	2	-	Group capital movement	-	-	751,628	751,628	
3	Power Quotient Technology (YANCHENG) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables	Y	352,121	344,313	344,313	3.00%	2	-	Group capital movement	-	-	751,628	751,628	
4	Dong Guan HanYang Computer Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Y	114,325	22,358	-	3.45%	2	-	Operations	-	-	404,242	404,242	
4	Dong Guan HanYang Computer Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables	Y	112,650	-	-	3.45%	2	-	Operations	-	-	404,242	404,242	
5	Shinfox Energy Co., Ltd.	Shinfox Far East Company Pte. Ltd.	Other receivables - related parties	Y	2,000,000	2,000,000	2,000,000	1.98%	2	-	Group capital movement	-	-	561,058	561,058	Note 3
5	Shinfox Energy Co., Ltd.	Shinfox Far East (Taiwan) Company Pty Ltd.	Other receivables - related parties	Y	450,000	450,000	450,000	2.97%	2	-	Group capital movement	-	-	561,058	561,058	Note 3
6	Foxwell Energy Corporation Ltd.	Shinfox Far East Company Pte. Ltd.	Other receivables - related parties	Y	8,916,117	8,916,117	8,916,117	-	2	-	Group capital movement	-	-	3,065,965	3,065,965	Note 3
7	Synergy Co., Ltd.	Xinwei Power Corporation Ltd.	Other receivables - related parties	Y	10,000	10,000	10,000	3.50%	2	-	Group capital movement	-	-	636,625	636,625	
8	Shinfox Natural Gas Co., Ltd.	Shinfox Far East Company Pte. Ltd.	Other receivables - related parties	Y	48,119	48,119	48,119	2.97%	2	-	Group capital movement	-	-	129,096	129,096	

Note 1 : Fill in the nature of the loan as follows:

- (1) Business transaction is labelled as "1".
- (2) Short-term financing is labelled as "2".

Note 2 : The Company's and its subsidiaries' limits on loans to singal party and total loans are calculated based on the Company's and its subsidiaries' "Procedures for Provision of Loans".

- (a) Total limit on loans granted to the companies having business relationship with the Company is 40% of the Company's net assets, limit on loans granted to a single party is 150% of the amount of business transactions between the creditor and borrower in the current year; the amount of business transactions means the higher between sales and purchases.
- (b) Limit on total loans to parties with short-term financing is 40% of the Company's net assets; but limit on loans to a single party is 30% of the Company's net assets.
- (c) Ceiling on total loans granted between foreign companies whose voting shares are 100% held by the Company directly or indirectly, or on loans granted to the Company by such foreign companies is 100% of their net asset value.
The total amount of loans granted to a single company should not exceed 100% of the net assets. Financing period shall not be more than 3 years.
- (d) Among the Company and the parent company or subsidiaries, or loans between the Company's subsidiaires, excluding the loans to others qualifying the abovementioned condition, (c), the authorised limit on the Company's or the Company's subsidiaries' loans to a singal party shall be lower than 10% of the company's net assets based on the company's latest financial statements.
- (e) Limit on total loans and individual limit on lonas to others of the Company's subsidiaries are both under 40% of the Company's net assets.

Note 3 : The applicable limits have been exceeded; the Company's sub-subsidiary, Shinfox Energy have, in accordance with the Procedures for Provision of Loans, formulated an improvement plan and intend to submit the plan to the Board of Directors.

FIT HOLDING CO., LTD.
Provision of endorsements and guarantees to others
Year ended December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2025	Outstanding endorsement/ guarantee amount at December 31, 2025	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 1)											
0	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	2	\$ 19,891,434	\$ 2,960,000	\$ 2,760,000	\$ 2,260,000	\$ -	83.25	\$ 19,891,434	Y	N	N	
0	FIT Holding Co., Ltd.	Glory Science Co., Ltd.	2	19,891,434	1,410,000	1,310,000	904,000	-	39.51	19,891,434	Y	N	N	
0	FIT Holding Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	2	19,891,434	137,190	-	-	-	-	19,891,434	Y	N	Y	
1	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	4	17,840,082	740,000	200,000	25,000	-	6.03	17,840,082	N	N	N	
1	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	4	17,840,082	440,000	-	-	-	-	17,840,082	N	N	N	
2	Shinfox Energy Co. Ltd.	Foxwell Energy Corporation Ltd.	2	8,415,870	27,325,000	19,960,786	11,550,718	-	602.09	8,415,870	N	N	N	Note 3
2	Shinfox Energy Co. Ltd.	Kunshan Jiuwei Info Tech Co., Ltd.	2	8,415,870	68,595	67,074	50,207	-	2.02	8,415,870	N	N	Y	
2	Shinfox Energy Co. Ltd.	Youde Wind Power Co., Ltd	2	7,854,812	700,000	700,000	560,000	-	21.11	8,415,870	N	N	N	
2	Shinfox Energy Co. Ltd.	SFE Developer Company Corporation	2	7,854,812	4,980,750	4,714,500	4,714,500	-	142.21	8,415,870	N	N	N	
2	Shinfox Energy Co. Ltd.	Shinfox Far East Company Pte.Ltd.	2	7,854,812	6,374,587	5,870,122	5,870,122	-	177.06	8,415,870	N	N	N	
2	Shinfox Energy Co. Ltd.	Shinfox Far East (Taiwan) Company Pty Ltd.	2	7,854,812	1,830,000	1,420,000	920,000	-	42.83	8,415,870	N	N	N	

Number	Endorser/ guarantor	Company name	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2025	Outstanding endorsement/ guarantee amount at December 31, 2025	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
			Relationship with the endorser/ guarantor (Note 1)												
2	Shinfox Energy Co. Ltd.	Changpin Wind Power Ltd.	6		7,854,812	370,000	370,000	370,000	-	11.16	8,415,870	N	N	N	
3	Smart Power System Co. Ltd.	BL ANAKIE SOLAR PTY LTD	6		321,071	40,541	40,541	40,541	-	1.22	642,142	N	N	N	

Note 1 : Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 2 : Total limit or limit on loans to a single party of the Company's and subsidiaries is calculated in accordance with the Company's "Procedures for Provision of Endorsements and Guarantees".

- (1) Limit on total endorsements is 600% of the Company's net asset.
- (2) Limit on endorsements to a single party is 600% of the Company's net asset.
- (3) Limit on total endorsements granted by the Company and its subsidiaries is 600% of the Company's net asset.
- (4) Total limit on the Company's and its subsidiaries endorsement/guarantee to a single party is 600% of the Company's net assets and to the subsidiaries that the Company owned more than 90% (included) voting shares is 600% of the Company's net assets.
- (5) For business transaction with the Company, the guarantee amount should not exceed 150% of the amount of business transaction, which is the higher between sales and purchases.
- (6) The companies whose voting rights are 90% owned directly and indirectly by the Company can provide endorsement/guarantee each other with a limit of 10% of the Company's net assets, but not available for the companies whose voting rights are 100% owned directly and indirectly by the Company.
- (7) The Company's subsidiary who prepared to provide endorsement/guarantee to others due to business transaction shall implement in accordance with the Company's procedures, and the calculation of the Company's net assets shall use the subsidiary's net assets.
- (8) For subsidiaries whose shares are 90% or above held by Shinfox Energy, the ceiling on the total amount of endorsements and guarantees provided by Shinfox Energy is 600% of the Company's net asset value; the limit on endorsements and guarantees provided by Shinfox Energy for a single party other than the foregoing is 560% of the Company's net asset value.
- (9) For subsidiaries whose shares are 90% or above held by Foxwell Energy, ceiling on total amount of endorsements and guarantees provided by the Company is 150% of the Company's net asset value; limit on endorsements and guarantees provided by the Company for a single party is 140% of the Company's net asset value.
- (10) Smart Power System Co. Ltd.'s endorsements and guarantees to others and subsidiaries should not exceed 100% of Smart Power System Co. Ltd.'s net asset value in the latest financial statements.

Note 3 : The applicable limits have been exceeded; the Company and its subsidiaries have, in accordance with the procedures for endorsements and guarantees, formulated an improvement plan and intend to submit the plan to the Board of Directors.

FIT HOLDING CO., LTD.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of December 31, 2025				
		Relationship with the	General	Number of shares				
Securities held by	Marketable securities	securities issuer	ledger account	(in thousands)	Book value	Ownership (%)	Fair value	Footnote
FIT Holding Co., Ltd.	LeadsunFox Greenergy Investment Co., Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	23,843	\$ 210,529	12.00	\$ 210,529	Not pledged as collateral
Foxlink Image Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	1,631	176,909	0.04	176,909	Not pledged as collateral
Foxlink Image Technology Co., Ltd.	Central Motion Picture Corporation	Investee of the Company's parent company which is accounted for using equity method	Financial assets at fair value through other comprehensive income-non-current	4,294	225,393	4.00	225,393	Not pledged as collateral
Foxlink Image Technology Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	The Company's parent company	Financial assets at fair value through other comprehensive income-non-current	49,503	1,826,661	9.66	1,826,661	Not pledged as collateral
Power Quotient International Co., Ltd.	Taiwan Mobile Co., Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	1,631	176,909	0.04	176,909	Not pledged as collateral
Shinfox Co., Ltd.	SEC INTERNATIONAL INC.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	-	135,000	20.07	135,000	Not pledged as collateral

Note: The above disclosure standard is the carrying amount that reaches \$100,000.

FIT HOLDING CO., LTD.
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more
For the year ended December 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Foxlink Image Technology Co., Ltd.	Wei Hai Fu Kang Electric Co., Ltd.	Affiliate	Purchases	\$ 980,789	25.36%	Flexible collection, depending on the capital requirement	Mutual agreement	None	\$ (454,193) (	40.62%)	Note 5
Shinfox Energy Co. Ltd.	Changpin Wind Power Ltd.	Joint venture	Sales	(659,660) (	50.81%)	Note 1	Note 1	Note 1	2,415	0.04%	Note 3 、 Note 5
Shinfox Energy Co. Ltd.	Youde Wind Power Co., Ltd.	Affiliate	Sales	(431,172) (	33.21%)	Note 1	Note 1	Note 1	-	-	Note 4 、 Note 5
Foxwell Energy Corporation Ltd.	SHINFOX FAR EAST COMPANY PTE. LTD.	Affiliate	Purchases	10,009,964	42.34%	Note 2	Note 2	Note 2	(154,526) (	8.17%)	Note 5
Foxwell Power Co., Ltd.	Billion Sun Energy Storage Technologies Inc.	Affiliate	Sales	(2,723,061) (	58.54%)	Note 2	Note 2	Note 2	571,500	57.00%	Note 5
SHINFOX FAR EAST COMPANY PTE. LTD.	SFE Hercules Company Corporation.	Affiliate	Purchases	1,061,103	6.49%	Note 2	Note 2	Note 2	(543,786) (	14.86%)	Note 5
SHINFOX FAR EAST COMPANY PTE. LTD.	SFE Developer Company Corporation	Affiliate	Purchases	1,272,836	7.78%	Note 2	Note 2	Note 2	(819,893) (	22.40%)	Note 5

Note 1 : Please refer to Note 7(2) A. for the details.

Note 2 : Transactions between subsidiaries are conducted at prices and with payment terms that are in line with market conditions or agreed upon with general customers.

Note 3 : Changpin Wind Power Ltd. has unfinished construction amounting to \$744,824 with the Company's sub-subsidiary, Shinfox Energy.

Note 4 : Youde Wind Power Co., Ltd. has unfinished construction amounting to \$375,000 with the Company's sub-subsidiary, Shinfox Energy.

Note 5 : The relative related party in the same transaction will not be disclosed separately.

FIT HOLDING CO., LTD.
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
Year ended December 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

					Overdue receivables				
Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2025	Turnover rate	Maximum outstanding balance during the year ended December 31, 2025	Balance at December 31, 2025		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
FIT Holding Co., Ltd.	Foxlink Image Technology Co., Ltd.	Subsidiary	\$ 135,258	Note 1	\$ -	-		\$ -	\$ -
Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	178,864	Note 1	-	-		-	-
Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	178,057	Note 1	-	-		-	-
Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	616,304	1.01	-	-		47,155	-
Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	454,193	2.93	-	-		145,284	-
Dong Guan Fu Zhang Precision Industry	Foxlink Image Technology Co., Ltd.	Affiliate	103,518	1.76	-	-		18,095	-
Power Quotient Technology	Glory Optics (Yancheng) Co., Ltd.	Affiliate	344,313	Note 1	-	-		-	-
Power Quotient Technology	Glorytek (Yancheng) Co., Ltd.	Affiliate	223,580	Note 1	-	-		-	-
Shinfox Energy Co., Ltd.	SHINFOX FAR EAST COMPANY PTE. LTD.	Affiliate	2,004,882	Note 1	-	Overdue receivables from related parties are expected to be recovered gradually in 2026.		-	-
Shinfox Energy Co., Ltd.	SHINFOX FAR EAST (TAIWAN) COMPANY PTY LTD	Affiliate	450,000	Note 1	-	Overdue receivables from related parties are expected to be recovered gradually in 2026.		-	-
Foxwell Energy Corporation Ltd.	SHINFOX FAR EAST COMPANY PTE. LTD.	Affiliate	8,916,117	Note 1	-	Overdue receivables from related parties are expected to be recovered gradually in 2026.		-	-
Foxwell Power Co., Ltd.	Billion Sun Energy Storage Technologies Inc.	Affiliate	571,500	9.53	-	Not applicable		-	-
SHINFOX FAR EAST COMPANY PTE. LTD.	Foxwell Energy Corporation Ltd.	Affiliate	154,526	0.06	-	Overdue receivables from related parties are expected to be recovered gradually in 2026.		-	-
SFE Hercules Company Corporation.	SHINFOX FAR EAST COMPANY PTE. LTD.	Affiliate	543,786	168.52	-	Overdue receivables from related parties are expected to be recovered gradually in 2026.		-	-
SFE Developer Company Corporation	SHINFOX FAR EAST COMPANY PTE. LTD.	Affiliate	819,893	307.73	-	Overdue receivables from related parties are expected to be recovered gradually in 2026.		-	-

Note 1 : The turnover rate was not applicable as the receivables were recorded as other receivables.

FIT HOLDING CO., LTD.
Significant inter-company transactions during the reporting period
For the year ended December 31, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms		
0	FIT Holding Co., Ltd.	Foxlink Image Technology Co., Ltd.	1	Other receivables	\$ 135,258	Based on the Company's policies		0%
1	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	178,864	Based on the Company's policies		0%
2	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	178,057	Based on the Company's policies		0%
3	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	616,304	Flexible collection, depending on the capital requirement		1%
3	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Processing fees revenue	587,693	Flexible collection, depending on the capital requirement		2%
4	Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	454,193	Flexible collection, depending on the capital requirement		1%
4	Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Sales revenue	980,789	Flexible collection, depending on the capital requirement		3%
5	Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	103,518	Flexible collection, depending on the capital requirement		0%
5	Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Processing fees revenue	167,610	Flexible collection, depending on the capital requirement		1%
6	Power Quotient Technology (YANCHENG) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	344,313	Based on the Company's policies		1%
6	Power Quotient Technology (YANCHENG) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	223,580	Based on the Company's policies		0%
7	Shinfox Energy Co., Ltd.	SHINFOX FAR EAST COMPANY PTE. LTD.	3	Other receivables	2,004,882	Transaction terms are based on the mutual agreement		3%

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
7	Shinfox Energy Co., Ltd.	SHINFOX FAR EAST (TAIWAN) COMPANY PTY LTD	3	Other receivables	450,000	Transaction terms are based on the mutual agreement	1%
7	Shinfox Energy Co., Ltd.	Youde Wind Power Co., Ltd	3	Technical services revenue	431,172	Sales price are approximate to normal clients	1%
8	Foxwell Energy Corporation Ltd.	SHINFOX FAR EAST COMPANY PTE. LTD.	3	Cost of engineering sales	10,009,964	Purchase price are approximate to normal suppliers	16%
8	Foxwell Energy Corporation Ltd.	SHINFOX FAR EAST COMPANY PTE. LTD.	3	Accounts payable	154,526	Transaction terms are based on the mutual agreement	0%
8	Foxwell Energy Corporation Ltd.	SHINFOX FAR EAST COMPANY PTE. LTD.	3	Other receivables	8,916,117	The collections depend on the financial situation after offsetting the receivables against the navables	14%
9	Foxwell Power Co., Ltd.	Billion Sun Energy Storage Technologies Inc.	3	Construction Revenue	2,723,061	Sales price are approximate to normal clients	4%
9	Foxwell Power Co., Ltd.	Billion Sun Energy Storage Technologies Inc.	3	Accounts receivable	571,500	Transaction terms are based on the mutual agreement	2%
9	Foxwell Power Co., Ltd.	Billion Sun Energy Storage Technologies Inc.	3	contract asset	1,063,061	Transaction terms are based on the mutual agreement	2%
10	SHINFOX FAR EAST COMPANY PTE. LTD.	SFE Hercules Company Corporation.	3	Accounts payable	543,786	Transaction terms are based on the mutual agreement	1%
10	SHINFOX FAR EAST COMPANY PTE. LTD.	SFE Developer Company Corporation	3	Accounts payable	819,893	Transaction terms are based on the mutual agreement	1%
10	SHINFOX FAR EAST COMPANY PTE. LTD.	Shinfox Far East (Taiwan) Company Pty Ltd	3	Guarantee deposits received	1,303,652	Transaction terms are based on the mutual agreement	2%

Transaction							Percentage of consolidated total operating revenues or total assets (Note 3)
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	
10	SHINFOX FAR EAST COMPANY PTE. LTD.	SFE Hercules Company Corporation.	3	Cost of engineering sales	1,061,103	Transaction terms are based on the mutual agreement	3%
10	SHINFOX FAR EAST COMPANY PTE. LTD.	SFE Developer Company Corporation	3	Cost of engineering sales	1,272,836	Transaction terms are based on the mutual agreement	4%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to.

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Percentage of total consolidated revenues or total assets is calculated using the total consolidated assets at the end of the year when the subject of transaction is an asset/liability, and is calculated by total consolidated revenues during the year when the subject of transaction is a revenue/expense.

Note 4: The inter-company transactions not exceeding \$0.1 million are not disclosed. In addition, counterparty related parties' transactions are not disclosed.

FIT HOLDING CO., LTD.
Information on investees
For the year ended December 31, 2025

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025					Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value					
FIT Holding Co., Ltd.	Glory Science Co., Ltd.	Taiwan	Manufacture and sales of optical instruments	\$ 2,814,868	\$ 2,814,868	35,000,001	100.00	\$ 466,873	\$ 221,245			\$ 221,245	
FIT Holding Co., Ltd.	Foxlink Image Technology Co., Ltd.	Taiwan	Manufacture of image scanners and multifunction printers	3,011,140	3,011,140	164,993,974	100.00	3,378,613	(25,879)	(		32,216)	
FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Taiwan	Manufacture and sales of telecommunication electronic components	3,372,180	3,372,180	444,690,529	100.00	682,417	(5,929,367)	(		5,930,137)	
FIT Holding Co., Ltd.	Shih Fong Power Co., Ltd.	Taiwan	Hydroelectricity generation	300,000	300,000	37,500,000	16.30	390,663	6,350			1,035	
FIT Holding Co., Ltd.	Synergy Co., Ltd.	Taiwan	Energy service management	36,760	36,760	3,676,000	2.30	36,772	9,172			169	
Foxlink Image Technology Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	British Virgin Islands	Manufacture of image scanners and multifunction printers	1,357,049	1,357,049	20,241,034	100.00	3,497,250	509,486			-	
Foxlink Image Technology Co., Ltd.	Shih Fong Power Co., Ltd.	Taiwan	Hydroelectricity generation	957,600	957,600	79,800,000	34.70	962,812	6,350			-	
Foxlink Image Technology Co., Ltd.	Shinfox Energy Co., Ltd.	Taiwan	Energy service management	1,466,522	-	18,331,519	6.67	403,034	(15,941,683)			-	
ACCU-IMAGE TECHNOLOGY LIMITED	POWER CHANNEL LIMITED	Hong Kong	Holding and reinvesting businesses	134,835	134,835	3,575	35.75	1,292,832	784,338			-	
Glory Science Co., Ltd.	GLORY TEK (BVI) CO., LTD.	British Virgin Islands	General investments business	1,492,919	1,492,919	47,499,819	100.00	606,682	621,795			-	
GLORY TEK (BVI) CO., LTD.	GLORY TEK (SAMOA) CO., LTD.	Samoa	General investments business	1,001,065	1,001,065	31,850,628	100.00	665,724	235,576			-	
GLORY TEK (BVI) CO., LTD.	GLORY OPTICS (BVI) CO., LTD.	British Virgin Islands	Trading	502,880	502,880	16,000,000	100.00	(123,184)	386,510			-	
GLORY TEK (BVI) CO., LTD.	GLORYTEK SCIENCE INDIA PRIVATE LIMITED	India	Trading and manufacturing	105,789	105,789	21,773,105	99.27	75,529	(289)			-	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025				Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value				
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	TEGNA ELECTRONICS PRIVATE LIMITED	India	Trading and manufacturing	10,488	10,488	3,001,000	10.00	12,415	1,775	-		
Power Quotient International Co., Ltd.	Power Quotient International (H.K.) Co., Ltd.	Hong Kong	Sales of electronic telecommunication components	428,432	428,432	106,100,000	100.00	751,847	11,157	-		
Power Quotient International Co., Ltd.	PQI JAPAN CO., LTD	Japan	Sales of electronic telecommunication components	2,008	2,008	24,300	100.00	2,154	-	-		
Power Quotient International Co., Ltd.	SYSCOM DEVELOPMENT CO., LTD	British Virgin Islands	Specialised investments holding	341,423	341,423	10,862,980	100.00	78,309	(347)	-		
Power Quotient International Co., Ltd.	Apix LIMITED	British Virgin Islands	Specialised investments holding	3,252,037	3,252,037	12,501	100.00	910,342	53,879	-		
Power Quotient International Co., Ltd.	Shinfox Energy Co., Ltd.	Taiwan	Energy service management	3,646,600	3,646,600	102,951,145	37.49	525,852	(15,941,683)	-		
Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Taiwan	Energy service management	11,533,000	8,233,000	1,374,500,000	100.00	7,615,076	(6,353,620)	-		
Shinfox Energy Co., Ltd.	Shinfox Natural Gas Co., Ltd.	Taiwan	Energy service management	360,000	360,000	36,000,000	80.00	258,191	(23,208)	-		
Shinfox Energy Co., Ltd.	Foxwell Power Co., Ltd.	Taiwan	Energy service management	546,585	656,590	36,439,000	49.36	1,281,462	450,199	-		
Shinfox Energy Co., Ltd.	Jiuwei Power Co., Ltd.	Taiwan	NG-fueled Power Generation Business	200,000	1,100,000	20,000,000	100.00	50,138	(130,097)	-		
Shinfox Energy Co., Ltd.	Yuanshan Forest Natural Resources Co., Ltd.	Taiwan	Energy technical services	100,000	100,000	10,000,000	100.00	66,464	(18,590)	-		
Shinfox Energy Co., Ltd.	Elegant Energy TECH Co., Ltd.	Taiwan	Afforestation	200,000	200,000	500,000	100.00	219	(2,217)	-		
Shinfox Energy Co., Ltd.	Changpin Wind Power Ltd.	Taiwan	Electric power generation	370,000	270,000	37,000,000	50.00	281,893	4,536	-		
Shinfox Energy Co., Ltd.	Guanwei Power Co., Ltd.	Taiwan	Electric power generation	35,700	35,700	3,570,000	51.00	34,965	(516)	-		
Shinfox Energy Co., Ltd.	Shinfox Far East Company Pte., Ltd.	Singapore	Maritime engineering related business	1,684,648	1,684,648	53,600,000	67.00	(7,868,684)	(11,776,527)	-		
Shinfox Energy Co., Ltd.	Junwei Power Co., Ltd.	Taiwan	Electric power generation	22,000	22,000	2,200,000	100.00	18,106	(263)	-		
Shinfox Energy Co., Ltd.	Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Taiwan	Afforestation	218,020	218,020	19,820,000	56.63	134,019	(33,477)	-		
Shinfox Energy Co., Ltd.	UbiLink AI Co., Ltd.	Taiwan	Computer software services	26,400	10,000	2,640,000	13.20	(22,336)	(359,765)	-		
Shinfox Energy Co., Ltd.	Youde Wind Power Co., Ltd	Taiwan	Electric power generation	491,000	491,000	49,100,000	70.04	474,200	(23,753)	-		
Shinfox Energy Co., Ltd.	Fox Nam Energy Co., LTD.	Vietnam	Electric power generation	110,005	110,005	-	100.00	106,991	1,079	-		

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025					Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognized by the Company for the year ended December 31, 2025	
Shinfox Energy Co., Ltd.	DakPsi Investment and Develop Hydroelectric Joint Stock Company	Vietnam	Electric power generation	631,127	631,127	14,645,245	35.00	675,446	111,259	-	
Shinfox Energy Co., Ltd.	Synergy Co., Ltd.	Taiwan	Energy service management	800,010	-	80,001,000	50.00	621,657	9,172	-	
Foxwell Energy Corporation Ltd.	Xinwei Power Co., Ltd.	Taiwan	Electric power generation	-	37,300	-	0.00	-	4,682	-	
Foxwell Energy Corporation Ltd.	Youde Wind Power Co., Ltd.	Taiwan	Electric power generation	210,000	210,000	21,000,000	29.96	202,815	(23,753)	-	
Foxwell Power Co., Ltd.	Foxwell Certification Co., Ltd.	Taiwan	Afforestation	28,650	28,650	2,865,000	95.50	13,190	(1,100)	-	
Foxwell Power Co., Ltd.	Cheng Shin Digital Co., Ltd.	Taiwan	Afforestation	48,436	48,436	4,844,000	49.00	35,224	840	-	
Foxwell Power Co., Ltd.	Billion Sun Energy Storage Technologies Inc.	Taiwan	Afforestation	369,215	-	39,240,000	30.00	129,550	24	-	
Foxwell Power Co., Ltd.	Huijie Energy Co., Ltd.	Taiwan	Afforestation	500	-	50,000	100.00	499	-	-	
Foxwell Power Co., Ltd.	Smart Power System Ltd.	Taiwan	Afforestation	696,171	-	8,160,000	51.00	609,645	35,439	-	
Smart Power System	Hongju Energy Co., Ltd.	Taiwan	Energy storage site development industry	3,900	3,900	679,000	30.00	7,199	(417)	-	
Smart Power System	Smart Technology Co., Ltd.	Taiwan	Overseas energy storage market development	12,500	12,500	1,250,000	40.00	4,052	(13,838)	-	
Smart Power System	Billion Power Technologies INC.	Taiwan	Electrical equipment inspection and maintenance industry	-	4,900	-	-	-	4,289	-	
Smart Power System	Zhixin Energy Co., Ltd.	Taiwan	Energy storage and management services	6,010	1,000	601,000	100.00	8,298	2,200	-	
Smart Power System	Smart Power System Australia Pty Ltd.	Australia	Afforestation	13,390	-	700,000	100.00	14,271	(417)	-	
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Eastern Rainbow Environmental Technology Co., Ltd.	Taiwan	Afforestation	2,500	2,500	250,000	100.00	781	(29)	-	
Synergy Co., Ltd.	Xinwei Power Co., Ltd.	Taiwan	Electric power generation	44,151	-	3,730,000	100.00	43,751	4,682	-	
Synergy Co., Ltd.	Billion Sun Energy Storage Technologies Inc.	Taiwan	Afforestation	523,200	-	64,000,000	40.00	513,936	24	-	
Shinfox Far East Company Pte., Ltd.	SFE Hercules Company Corporation.	Panama	Maritime engineering related business	5,281,500	5,281,500	200	100.00	5,321,896	289,512	-	
Shinfox Far East Company Pte., Ltd.	Shinfox Far East (Taiwan) Company Pty Ltd.	Taiwan	Maritime engineering related business	30,000	30,000	3,000,000	100.00	24,458	(53,003)	-	
Shinfox Far East Company Pte., Ltd.	SFE Developer Company Corporation	Panama	Maritime engineering related business	1,677,444	3	300	100.00	1,355,248	(319,629)	-	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025				Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value				
SYSCOM DEVELOPMENT CO., LTD.	Foxlink Powerbank International Technology Private Limited	India	Sales of electronic telecommunication components	105,698	105,698	21,790,000	99.27	75,537	(	357)	-	
Apix LIMITED	Sinocity Industries Co., Ltd.	Hong Kong	Sales of electronic product	2,725,650	2,725,650	6,000,000	100.00	658,771		41,875	-	
Apix LIMITED	Perennial Ace Limited	British Virgin Islands	Specialised investments holding	669,459	669,459	Shares yet to be issued.	100.00	251,419		12,003	-	
Sinocity Industries Co., Ltd.	DG LIFESTYLE STORE LIMITED	Macau	Sales of electronic product	-	392	-	-	-		146	-	Note 1
Perennial Ace Limited	Studio A Technology Limited	Hong Kong	Sales of electronic product	4,998	4,998	1,225,000	24.50	111,623		48,992	-	
Foxlink Powerbank International Technology Private Limited	TEGNA ELECTRONICS PRIVATE LIMITED	India	Trading and manufacturing	10,490	10,490	3,001,000	10.00	12,415		1,774	-	

Note 1: DG LIFESTYLE STORE LIMITED completed liquidation in the fourth quarter of 2025.

FIT HOLDING CO., LTD.
Information on investments in Mainland China
For the year ended December 31, 2025

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
					December 31, 2025								
					Remitted to Mainland China	Remitted back to Taiwan							
Dong Guan Han Yang Computer Limited	Manufacture of image scanners and multifunction printers and investment in property	\$ 192,201	Note 2	\$ 192,201	\$ -	\$ -	\$ 192,201	\$ 28,485	100	\$ 28,485	\$ 404,242	\$ -	
Sharetronic Data Technology Co., Ltd.	Manufacture and sales of mobile phone, LCD TV Connector and electronic components	1,547,714	Note 2	134,835	-	-	134,835	5,006,355	5.95	280,401	1,166,123	-	
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Mould development and moulding tool manufacture	254,968	Note 2	187,495	-	-	187,495	19,948	100	19,948	154,315	-	
Wei Hai Fu Kang Electric Co., Ltd.	Manufacture and sale of parts and moulds of photocopiers and scanners	785,750	Note 2	377,160	-	-	377,160	154,960	100	154,960	1,047,557	-	
Dongguan Fu Wei Electronics Co., Ltd.	Manufacture and sales of image scanners, multifunction and printers and its accessories	188,580	Note 2	166,841	-	-	166,841	26,041	100	26,041	675,434	-	
Glorytek (Suzhou) Co., Ltd.	Trading and manufacturing	440,020	Note 2	429,027	-	-	429,027	126,914	100	126,914	392,925	-	
Glorytek (Yancheng) Co., Ltd.	Trading and manufacturing	282,870	Note 2	282,870	-	-	282,870	437,128	100	437,128	(358,916)	-	
Yancheng Yao Wei Technology Co., Ltd	Trading and manufacturing	44,716	Note 3	-	-	-	-	31	100	31	86,708	-	
Glory Optics (Yancheng) Co., Ltd.	Trading and manufacturing	1,181,464	Note 4	559,454	-	-	559,454	232,085	100	232,085	582,653	-	
Power Quotient Technology (YANCHENG) Co., Ltd.	Manufacture and sales of electronic components	628,600	Note 2	Note 5	-	-	-	11,240	100	11,240	751,628	-	
PQI (Xuzhou) New Energy Co., Ltd.	Manufacture and sales of electronic components	-	Note 3	Note 6	-	-	-	16	-	16	-	-	Note 7
Kunshan Jiuwei Info Tech Co., Ltd.	Supply chain finance energy service management	31,431	Note 1	1,572	1,572	-	3,144	613	100	613	36,541	-	
KunShan Eastern Rainbow Environmental Equipment Co., Ltd.	Energy technical services	22,358	Note 1	22,358	-	-	22,358	(6,574)	100	(6,574)	16,220	-	
Chengdu Xinfuwei Energy Co., Ltd.	Electric power supply	125,720	Note 1	125,720	-	-	125,720	(1,012)	100	(1,012)	125,969	-	

Note 1: Directly go to the Mainland China for investment.

Note 2: Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

Note 3: As the investment is invested through an existing company in Mainland China, which then invested in the investee.

Note 4: An investee established in the third area and an reinvestee in Mainland China invested by an investee in Mainland China.

Note 5: The capital of an indirect investment of PQI, Power Quotient Technology (YANCHENG) Co., Ltd., was remitted by the financing from the investee in the third party.

Note 6: The capital of an indirect investment of PQI (Xuzhou) New Energy Co., Ltd., was remitted by a capital from Power Quotient Technology (YANCHENG) Co., Ltd.

Note 7: PQI (Xuzhou) New Energy Co., Ltd. completed liquidation in the third quarter of 2025.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Foxlink Image Technology Co., Ltd.	\$ 1,071,191	\$ 1,552,399	\$ 1,784,008
Glory Science Co., Ltd.	1,271,351	1,271,351	280,456
Power Quotient International Co., Ltd.	-	685,017	31,848
Shinfox Energy Co., Ltd.	128,864	128,864	841,587
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	22,358	22,358	131,911