

Stock Code: 3071

ADDA Corporation
Parent Company Only Financial Statements and
Independent Auditors' Report

For the Years Ended December 31, 2025 and 2024

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The reader is advised that these parent company only financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese financial statements shall prevail.

Parent Company Only Financial Statements

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Independent Auditors' Report

To ADDA Corporation:

Audit Opinion

The parent company only balance sheets of ADDA Corporation as of December 31, 2025, and December 31, 2024, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the periods from January 1 to December 31, 2025, and from January 1 to December 31, 2024, along with the notes to the parent company only financial statements (including a summary of significant accounting policies), have been audited by our accountants.

In our opinion, based on our audits and the reports of the other auditors (please refer to Other Matters section), the aforementioned parent company only financial statements, in all material respects, have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. These statements fairly present the parent company only financial position of ADDA Corporation as of December 31, 2025, and December 31, 2024, and their parent company only financial performance and cash flows for the periods from January 1 to December 31, 2025, and from January 1 to December 31, 2024.

Basis for Audit Opinion

We have conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. Our responsibilities under those standards are further described in the auditor's responsibilities section of our audit report. The personnel of our firm responsible for our independence are in compliance with the Code of Ethics for Professional Accountants and have maintained their independence from ADDA Corporation. Based on our audits and the reports of the other auditors, we believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our audit opinion.

Key Audit Matters

Key audit matters refer to matters that, in our accountant's professional judgment, are of most significance in the audit of ADDA Corporation's parent company only financial statements for the year 2025. These matters have been addressed during the overall audit of the parent company only financial statements and the formation of our audit opinion. Our accountants do not express an opinion on these matters separately. Our accountants have determined that the key audit matters to be communicated in the audit report are as follows:

1. Allowance for doubtful accounts receivable

As of December 31, 2025, the net accounts receivable of ADDA Corporation amounted to \$238,551 thousand, accounting for 6% of the total parent company only assets. The allowance for doubtful accounts was assessed based on the customers' credit risk and historical experience, involving significant judgments by management. Since the amount of allowance for doubtful accounts is measured based on the expected credit losses over the lifetime of the receivables, including appropriate aging categories, loss rates for each aging category, and forward-looking information, this key audit matter was identified due to the judgments, analyses, and estimates involved in measuring expected credit losses and the impact of the measurement results on the net accounts receivable.

Our audit procedures included (but were not limited to) understanding and testing the effectiveness of the internal control system established by management for accounts receivable management; evaluating the reasonableness of management's policy for making allowances for doubtful accounts, including understanding relevant information used by management to assess expected loss rates based on historical experience, current market conditions, and forecasts of future economic conditions; testing the accuracy of loss rates calculated on a rolling basis over a one-year period and aging categories; considering the reasonableness of forward-looking information incorporated into the loss rate assessment; selecting samples to perform accounts receivable confirmations and reviewing subsequent collections and analyzing accounts receivable turnover ratios to assess their recoverability.

Our accountants also considered the appropriateness of the disclosures relating to accounts receivable and associated risks in Notes IV to VI to the parent company only financial statements.

2. Inventory valuation

As of December 31, 2025, the net inventory of ADDA Corporation amounted to \$3,584 thousand. As the Company's industry is related to the fast-changing and uncertain electronics industry, the allowance for slow-moving or obsolete inventory involves significant judgments by management. Therefore, our accountants have determined this as a key audit matter.

Our audit procedures included (but were not limited to) understanding and testing the effectiveness of the internal control system established by management for inventory, including inventory cost transfers; evaluating management's inventory counting plans, selecting significant inventory locations to observe the inventory counting process to verify the quantity and condition of inventory; testing the accuracy of inventory aging and analyzing inventory aging changes, considering the expected demand and market value of inventory; evaluating management's analysis and assessment of slow-moving and obsolete inventory, including the likelihood of inventory realization and estimation of net realizable value; testing the appropriateness of the allowance amount for reducing inventory value to net realizable value.

Our accountants also considered the appropriateness of the disclosures relating to inventory in Notes IV to VI to the parent company only financial statements.

Other Matters - Referring to the Audit by Other Accountants

Some investee companies included in the parent company only financial statements of ADDA Corporation have not been audited by our accountants but by other accountants. Therefore, the amounts included in the aforementioned parent company only financial statements for these investee companies are based on the audit reports of other accountants. As of December 31, 2025, and December 31, 2024, the amounts of investments in these investee companies accounted for using the equity method were \$26,050 thousand and \$44,379 thousand, representing 0.67% and 1.11% of total assets, respectively. The share of income (loss) of associates accounted for using the equity method for the periods from January 1 to December 31, 2025, and from January 1 to December 31, 2024, were \$(12,513) thousand and \$(1,402) thousand, representing (15.05)% and (1.50)% of pre-tax net income, respectively. The share of other comprehensive income (loss) of associates accounted for using the equity method were \$38 thousand and \$(2,375) thousand, representing (0.33)% and (3.08)% of the net amount of other comprehensive income (loss), respectively.

Responsibilities of Management and Governing Bodies for Financial Statements

Management is responsible for the preparation of parent company only financial statements that present fairly the financial position of the Group in accordance with the Regulations Governing the

Preparation of Financial Reports by Securities Issuers, and to maintain the necessary internal control over the preparation of the parent company only financial statements to ensure that they are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management's responsibility also includes assessing ADDA Corporation's ability to continue as a going concern, the related disclosures, and the basis of accounting for going concern, unless management intends to liquidate ADDA Corporation or cease operations, or there is no practical alternative to liquidation or discontinuation of operations.

The governing bodies (including the audit committee) of ADDA Corporation have responsibility for overseeing the financial reporting process.

The Responsibilities of Auditing Financial Statements

The purpose of the auditor in auditing parent company only financial statements is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement due to fraud or error and to issue an audit report. Reasonable assurance is a high level of assurance, but the audit work performed in accordance with auditing standards cannot guarantee that all material misstatements will be detected in the parent company only financial statements. Misstatements can arise from fraud or error. If it is reasonably foreseeable that the misstatement of an individual amount or the total amount will affect the economic decisions made by the users of the parent company only financial statements, it is considered to be material.

When auditing, the auditors apply professional judgement and maintains professional skepticism in accordance with auditing standards. The auditors also perform the following tasks:

1. Identify and assess the risk of material misstatement due to fraud or error in parent company only financial statements, design and implement appropriate response measures for the assessed risks, and obtain sufficient and appropriate audit evidence as a basis for the audit opinion. Because fraud may involve collusion, forgery, intentional omission, misrepresentations, or override of internal controls, the risk of material misstatement due to fraud is higher than that due to error if the cause is not detected.
2. Obtain the necessary understanding of internal controls relevant to the audit to design appropriate audit procedures under the circumstances at the time, but not express an opinion on the effectiveness of ADDA Corporation's internal controls.
3. Evaluate the appropriateness of the accounting policies adopted by management, as well as the reasonableness of accounting estimates and related disclosures made.
4. Based on the audit evidence obtained, conclude on the appropriateness of the management's use of the going concern basis of accounting and whether events or conditions may cast significant doubt on ADDA Corporation's ability to continue as a going concern. If the auditors believe that such events or conditions give rise to a significant uncertainty, the auditors should draw attention to the related disclosures in the financial statements in the audit report or modify the audit opinion if the disclosures are inappropriate. The auditors' conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause ADDA Corporation to no longer have the ability to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of parent company only financial statements (including related notes), as well as whether parent company only financial statements properly represent related transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of the components within the group to express an opinion on the parent company only financial statements. Our accountants are responsible for directing, supervising, and performing the

group audit and forming the group audit opinion.

The matters communicated between the auditors and the governing unit include the planned audit scope and timeline, as well as significant audit findings (including significant internal control deficiencies identified during the audit process).

The auditors also inform the governing unit that personnel subject to the independence regulations of the accounting firm have followed the statements concerning independence in the professional ethics code of the accountant, and communicates all relationships and other matters (including relevant protective measures) that may be perceived as affecting the auditors' independence.

Based on the matters communicated with the governing unit, the accountant determines the key audit matters for the parent company only financial statements of ADDA Corporation for the fiscal year 2025. The auditors state such matters in the audit report, except when the law does not allow disclosure of specific matters, or in extremely rare cases, the accountant decides not to communicate specific matters in the audit report because the negative impact that may result from such communication is expected to outweigh the public interest enhanced.

Ernst & Young

Republic of China

March 12, 2026

Notice to Readers

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

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

English Translation of the parent company only Financial Statements originally issued in Chinese

ADDA Corporation
Parent Company Only Balance Sheets
Dec. 31, 2025 and 2024

Unit: NTS thousands

Assets			Dec. 31, 2025		Dec. 31, 2024		Liabilities and Equity			Dec. 31, 2025		Dec. 31, 2024	
Code	Item	Notes	Amount	%	Amount	%	Code	Item	Notes	Amount	%	Amount	%
	Current assets							Current liabilities					
1100	Cash and cash equivalents	(IV)/(VI).1	\$295,924	8	\$399,787	10	2100	Short-term loans	(VI).12	\$757,748	20	\$770,102	19
1150	Net notes receivable	(IV)/(VI).3	2,729	0	1,829	0	2170	Accounts payable		82,912	2	63,479	2
1170	Net accounts receivable	(IV)/(VI).4	130,793	3	102,796	3	2180	Accounts payable—Related parties	(VII)	1,298,937	33	1,381,641	34
1180	Net accounts receivable—related parties	(IV)/(VI).4/(VII)	107,758	3	147,319	4	2200	Other payables	(VI).13	93,157	2	100,293	3
1200	Other receivables		1,176	0	2,276	0	2220	Other payables—Related parties	(VII)	882	0	1,320	0
1210	Other receivables—Related parties	(VII)	573	0	893	0	2230	Current tax liabilities	(IV)/(VI).23	13,434	1	9,760	0
130x	Inventory	(IV)/(VI).5	3,584	0	3,311	0	2280	Lease liabilities - current	(IV)/(VI).19	2,197	0	2,453	0
1410	Advance payment	(VI).6	5,824	0	3,252	0	2300	Other current liabilities		3,278	0	4,373	0
1470	Other current assets		769	0	3,714	0	21xx	Total current liabilities		2,252,545	58	2,333,421	58
11xx	Total current assets		549,130	14	665,177	17		Non-current liabilities					
	Non-current assets						2540	Long-term loans	(VI).14	140,000	4	140,000	4
1510	Non-current financial assets at fair value through profit or loss	(IV)/(VI).2	7,831	1	-	-	2570	Deferred tax liabilities	(IV)/(VI).23	931	0	1,342	0
1517	Financial assets at fair value through other comprehensive income—non-current	(IV)/(VI).7	2,774	0	3,058	0	2580	Lease liabilities - non-current	(IV)/(VI).19	1,626	0	2,094	0
1550	Investment accounted for using equity method	(IV)/(VI).8	3,125,721	80	3,075,819	77	2645	Guarantee deposits		64	0	64	0
1600	Property, plant and equipment	(IV)/(VI).9	160,420	4	158,019	4	25xx	Total non-current liabilities		142,621	4	143,500	4
1755	Right-of-use assets	(IV)/(VI).19	3,786	0	4,517	0	2xxx	Total liabilities		2,395,166	62	2,476,921	62
1780	Intangible assets	(IV)/(VI).10	1,397	0	4,395	0							
1840	Deferred tax assets	(IV)/(VI).23	29,085	1	38,534	1	3100	Share capital	(VI).16				
1900	Other non-current assets	(IV)/(VI).11/(VII)	5,257	0	54,516	1	3110	Ordinary shares		1,100,000	28	1,100,000	27
1975	Net defined benefit asset—non-current	(IV)/(VI).15	7,282	0	4,065	0	3200	Capital surplus	(VI).16	64,372	2	60,346	1
15xx	Total non-current assets		3,343,553	86	3,342,923	83	3300	Retained earnings	(VI).16				
							3310	Legal reserve		149,885	4	140,604	4
							3320	Special reserve		50,513	1	123,775	3
							3350	Unappropriated retained earnings		197,654	5	156,967	4
								Total retained earnings		398,052	10	421,346	11
							3400	Other equity	(IV)	(64,907)	(2)	(50,513)	(1)
							3xxx	Total equity		1,497,517	38	1,531,179	38
1xxx	Total assets		\$3,892,683	100	\$4,008,100	100		Total liabilities and equity		\$3,892,683	100	\$4,008,100	100

(Please refer to the notes to the parent company only financial statements)

ADDA Corporation
Parent Company Only Statements of Comprehensive Income
From Jan. 1 to Dec. 31, 2025 and 2024

Unit: NT\$ thousands

Code	Item	Notes	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	(IV)/(VI).17/(VII)	\$992,482	100	\$1,066,427	100
5000	Operating cost	(VI).4.20/(VII)	(738,576)	(74)	(788,843)	(74)
5900	Gross profit		253,906	26	277,584	26
5910	Unrealized sales profit	(IV)/(VI).8	(4,004)	(1)	(6,051)	(1)
5920	Realized sales profit	(IV)/(VI).8	6,051	1	5,529	1
5950	Net gross profit		255,953	26	277,062	26
6000	Operating expense					
6100	Sales and marketing expenses	(IV)/(VI).20	(54,374)	(5)	(50,047)	(4)
6200	General and administrative expenses	(IV)/(VI).20	(88,180)	(9)	(96,882)	(9)
6300	R&D expense	(IV)/(VI).20	(62,416)	(7)	(65,735)	(6)
6450	Expected credit impairment losses	(IV)/(VI).18	2,008	0	4,636	0
	Total operating expenses		(202,962)	(21)	(208,028)	(19)
6900	Operating profit		52,991	5	69,034	7
7000	Non-operating income and expenses					
7100	Interest income	(VI).21	2,740	0	8,149	1
7010	Other income	(VI).21	14,447	2	15,714	2
7020	Other gains and losses	(VI).21	28,100	3	(60,428)	(6)
7050	Finance costs	(IV)/(VI).21	(17,603)	(2)	(16,597)	(2)
7060	Share of profit (loss) of subsidiaries and associates accounted for using equity method	(IV)/(VI).21	2,436	0	77,737	7
	Non-operating Total income and expenses		30,120	3	24,575	2
7900	Net profit before tax		83,111	8	93,609	9
7950	Income tax expense	(IV)/(VI).23	(20,351)	(2)	(4,664)	(1)
8200	Net profit for the period		62,760	6	88,945	8
8300	Other comprehensive income					
8310	Components of other comprehensive income that will not be reclassified to profit or loss:					
8311	Remeasurements of defined benefit plan	(VI).22	2,745	0	3,865	0
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(VI).22	301	0	-	-
8336	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income in subsidiaries, associates, and joint ventures	(VI).22	-	-	(1,610)	(0)
8360	Components of other comprehensive income that will be reclassified to profit or loss:					
8361	Exchange differences on translation	(IV)/(VI).22	(17,993)	(2)	93,590	9
8399	Income tax related to items that may be reclassified subsequently	(VI).22	3,599	1	(18,718)	(1)
	Other comprehensive income in the fiscal year (net value after tax)		(11,348)	(1)	77,127	8
8500	Total other comprehensive income for the period		\$51,412	5	\$166,072	16
	Earnings per share	(IV)/(VI).24				
9750	Basic		\$0.57		\$0.81	
9850	Diluted		\$0.57		\$0.81	

(Please refer to the notes to the parent company only financial statements)

English Translation of the parent company only Financial Statements originally issued in Chinese

ADDA Corporation

Parent Company Only Statements of Changes in Equity

From Jan. 1 to Dec. 31, 2025 and 2024

Unit: NT\$ thousands

Code	Item	Share capital 3100	Capital surplus 3200	Retained earnings			Other equity items		Total equity 3XXX
				Legal reserve 3310	Special reserve 3320	Unappropriated retained earnings 3350	Exchange difference on translation of foreign financial statements 3410	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income 3420	
A1	Balance as of Jan. 1, 2024	\$1,100,000	\$58,174	\$127,836	\$90,332	\$223,668	(\$125,385)	\$1,610	\$1,476,235
B1	Appropriation of legal reserve	—	—	12,768	—	(12,768)	—	—	—
B3	Reversal of special reserve	—	—	—	33,443	(33,443)	—	—	—
B5	Cash dividend distribution	—	—	—	—	(113,300)	—	—	(113,300)
C7	Changes in equity of associates and joint ventures accounted for using equity method	—	2,172	—	—	—	—	—	2,172
D1	Net income for 2024	—	—	—	—	88,945	—	—	88,945
D3	Other comprehensive income in 2024	—	—	—	—	3,865	74,872	(1,610)	77,127
D5	Total comprehensive income in 2024	—	—	—	—	92,810	74,872	(1,610)	166,072
Z1	Balance as of Dec. 31, 2024	\$1,100,000	\$60,346	\$140,604	\$123,775	\$156,967	(\$50,513)	\$—	\$1,531,179
A1	Balance as of Jan. 1, 2025	\$1,100,000	\$60,346	\$140,604	\$123,775	\$156,967	(\$50,513)	\$—	\$1,531,179
B1	Appropriation of legal reserve	—	—	9,281	—	(9,281)	—	—	—
B5	Cash dividend distribution	—	—	—	—	(89,100)	—	—	(89,100)
B17	Reversal of special reserve	—	—	—	(73,262)	73,262	—	—	—
C7	Changes in equity of associates and joint ventures accounted for using equity method	—	4,026	—	—	—	—	—	4,026
D1	Net income for 2025	—	—	—	—	62,760	—	—	62,760
D3	Other comprehensive income in 2025	—	—	—	—	2,745	(14,394)	301	(11,348)
D5	Total comprehensive income in 2025	—	—	—	—	65,505	(14,394)	301	51,412
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income	—	—	—	—	301	—	(301)	—
Z1	Balance as of Dec. 31, 2025	\$1,100,000	\$64,372	\$149,885	\$50,513	\$197,654	(\$64,907)	\$—	\$1,497,517

(Please refer to the notes to the parent company only financial statements)

English Translation of the parent company only Financial Statements originally issued in Chinese

ADDA Corporation
Parent Company Only Statements of Cash Flows
From Jan. 1 to Dec. 31, 2025 and 2024

Unit: NT\$ thousands

Code	Item	2025	2024	Code	Item	2025	2024
		Amount	Amount			Amount	Amount
AAAA	Cash flow from operating activities:			BBBB	Cash flow from investing activities:		
A10000	Net profit before tax in the current period	83,111	93,609	B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	585	-
A20000	Adjustment items:			B00100	Acquisition of financial assets at fair value through profit or loss	(7,831)	-
A20010	Adjustments to reconcile profit (loss):			B01800	Acquisition of investment accounted for using equity method	(82,417)	(7,800)
A20100	Depreciation expense	10,259	8,698	B01900	Proceeds from disposal of investments accounted for using equity method	280	-
A20200	Amortization expense	3,110	4,454	B02400	Proceeds from capital reduction of investments accounted for using equity method	7,831	10,340
A20300	Expected credit loss (gain)	(2,008)	(4,636)	B02700	Acquisition of property, plant and equipment	(9,925)	(34,990)
A20900	Interest expense	17,603	16,597	B04500	Acquisition of intangible assets	(112)	(2,610)
A21200	Interest income	(2,740)	(8,149)	B06700	Increase in other non-current assets	-	(16,827)
A21300	Dividend income	(3,680)	(1,125)	B06800	Decrease in other non-current assets	49,259	-
A22400	Share of loss (profit) of subsidiaries and associates accounted for using equity method	(2,436)	(77,737)	B07600	Dividends received	18,600	60,194
A22500	Loss on disposal and scrapping of property, plant, and equipment	19	-	BBBB	Net cash (outflow) inflow from investing activities	(23,730)	8,307
A29900	Other adjustments to reconcile profit (loss)	-	11				
A30000	Net changes in operating assets and liabilities:			CCCC	Cash flow from financing activities:		
A31130	Decrease (increase) in notes receivable	(900)	(288)	C00100	Increase in short-term loans	(12,354)	34,878
A31150	Decrease (increase) in accounts receivable	(25,989)	(15,558)	C01600	Proceeds from long-term loans	100,000	140,000
A31160	Decrease (increase) in accounts receivable-Related parties	39,561	(59,831)	C01700	Repayment of long-term loans	(100,000)	(100,000)
A31180	Decrease (increase) in other receivables	(930)	844	C03100	Decrease in guarantee deposits received	-	(52)
A31190	Decrease (increase) in other receivables – Related parties	320	(428)	C04020	Payments of lease liabilities	(2,819)	(2,144)
A31200	Decrease (increase) in inventory	(273)	(1,185)	C04500	Cash dividend payment	(89,100)	(113,300)
A31230	Decrease (increase) in advance payment	(2,572)	(11)	C05600	Payment of interest	(17,556)	(16,572)
A31240	Decrease (increase) in other current assets	2,945	(2,340)	CCCC	Net cash (outflow) inflow from financing activities	(121,829)	(57,190)
A32150	Increase (decrease) in accounts payable	19,433	18,221	EEEE	Increase (decrease) in cash and cash equivalents for the current period	(103,863)	(75,669)
A32160	Increase (decrease) in accounts payable – Related parties	(82,704)	22,644	E00100	Beginning balance of cash and cash equivalents	399,787	475,456
A32180	Increase (decrease) in other payables	(7,111)	(8,184)	E00200	Ending balance of cash and cash equivalents	\$295,924	\$399,787
A32190	Increase (decrease) in other payables – Related parties	(438)	153				
A32230	Increase (decrease) in other current liabilities	(1,095)	(4,691)				
A32240	Increase (decrease) in net defined benefit liability – non-current	(472)	(417)				
A32250	Increase (decrease) in deferred credit	(2,047)	522				
A33000	Cash inflows generated by operations	40,966	(18,827)				
A33100	Interest received	4,770	7,262				
A33500	Income taxes (paid)	(4,040)	(15,221)				
AAAA	Net cash inflow from operating activities	41,696	(26,786)				

(Please refer to the notes to the parent company only financial statements)

ADDA Corporation

Notes To Parent Company Only Financial Statements

For the Years Ended 31 December 2025 and 2024

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

I. Company history

1. ADDA Corporation (hereinafter referred to as the Company) was established in July 1978, with its registered office and main operation base located at No. 6, Sec. E., Gongye 6th Rd., Pingtung City, Pingtung County. The Company mainly engages in the manufacturing and sales of computer fans, power switches, and electrical equipment.
2. The Company's shares have been listed for trading on the Taipei Exchange (formerly known as GreTai Securities Market) since December 30, 2004.

II. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years 2025 and 2024 were approved and issued by the Board of Directors on March 12, 2026.

III. Applicability of new issuing & revised standards and interpretation

1. Changes in accounting policies arising from initial adoption of international financial reporting standards

The Company has adopted the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), or IFRIC interpretations and announcements recognized by the Financial Supervisory Commission (FSC) and applicable to annual accounting periods beginning on or after January 1, 2025. The initial application of new standards and revisions did not have a significant impact on the Company.

2. As of the date of approval and release of the financial report, the Company has not yet adopted the following newly issued, revised, or amended standards or interpretations recognized by the FSC and published by the International Accounting Standards Board:

Item	New/amended/revised standards and interpretations	Effective Dates of the Standards and Interpretations issued by the International Accounting Standards Board
1	IFRS 17 “Insurance Contracts”	January 1, 2023
2	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
3	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
4	Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	January 1, 2026

(1) IFRS 17 “Insurance Contracts”

This standard provides a comprehensive model for insurance contracts, including all accounting-related aspects (recognition, measurement, presentation, and disclosure principles). The core of the standard is a general model, under which the initial recognition of a group of insurance contracts is measured as the sum of the present value of expected cash flows and the contract service margin. The carrying amount at the end of each reporting period is the total of the liability for remaining coverage and the liability for incurred claims.

In addition to the general model, specific application methods (the variable fee approach) for contracts with direct participation features and a simplified method (the premium allocation approach) for short-term contracts are provided.

(2) Amendments to the Classification and Measurement of Financial Instruments
(Amendments to IFRS 9 and IFRS 7)

The amendments include :

- (a) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG) linked features and other similar contingent features.
- (c) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (d) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESGlinked), and equity instruments classified at fair value through other comprehensive income.

(3) Annual Improvements to IFRS Accounting Standards –Volume 11

(a) Amendments to IFRS 1

The amendments improve the consistency of IFRS 1 with IFRS 9, primarily by providing clearer guidance on hedge accounting for first-time adopters.

(b) Amendments to IFRS 7

The amendments update an obsolete cross-reference concerning the derecognition of gains or losses.

(c) Amendments to Guidance on implementing IFRS 7

The amendments improve some descriptions within the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price, and credit risk disclosures.

(d) Amendments to IFRS 9

The amendments add cross-references to clarify doubts concerning lessee’s derecognition of lease liabilities and the transaction price.

(e) Amendments to IFRS 10

The amendments eliminate the inconsistency between paragraphs B74 and B73 of the Standard.

(f) Amendments to IAS 7

The amendments remove the cost method in paragraph 37 of the Standard.

(4) Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The amendments include :

- (a) Clarify the application of the ‘own-use’ requirements.
- (b) Permit hedge accounting if these contracts are used as hedging instruments.
- (c) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned amendments are applicable for annual periods beginning on or after 1 January 2026 and have no material impact on the Company.

3. As of the date of approval and release of the financial report, the Company has not yet adopted the following newly issued, revised, or amended standards or interpretations recognized by the FSC and published by the International Accounting Standards Board:

Item	Newly Issued/Amended/Revised Standards and Interpretations	Effective Dates of the Standards and Interpretations issued by the International Accounting Standards Board
1	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the International Accounting Standards Board
2	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027(Note)
3	Disclosure Initiative — Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
4	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

Note: On 25 September 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

- (1) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

This plan addresses the inconsistency between IFRS 10, “Parent company only Financial Statements” and IAS 28, “Investments in Associates and Joint Ventures,” regarding the loss of control over an investment in an associate or joint venture for the consideration of a subsidiary. IAS 28 requires that when a non-monetary asset is invested in exchange for an interest in an associate or joint venture, the share of the resulting gain or loss should be eliminated in accordance with the treatment of a downstream transaction; IFRS 10 requires that the full amount of the gain or loss should be recognized when control of the subsidiary is lost. This amendment restricts the aforementioned provisions of IAS 28 to the extent that the gain or loss arising from the sale or investment of assets that constitute a business as defined in IFRS 3 is recognized in full.

The amendment also amends IFRS 10 so that gains or losses arising from the sale or investment in a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associates or joint ventures are recognized only to the extent that they are not attributable to the investor’s share.

(2) IFRS 18 “Presentation and Disclosure in Financial Statements”

This standard replaces IAS 1 Presentation of Financial Statements. The main changes are as below :

(a) Improved comparability in the statement of profit or loss (income statement)

This standard requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating, investing, financing, income taxes, and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures

This standard requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements

This standard sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(3) Disclosure Initiative–Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments simplify the disclosure of subsidiaries that are not subject to public liability and allow eligible subsidiaries to choose to apply this standard.

(4) Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

(a) Clarify that when the entity’s functional currency is that of a non hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.

(b) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.

(c))When the entity’s functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under and (2), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

IV. Summary of significant accounting policies

1. Compliance statement

The parent company only financial statements of the Company for the years ended 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2. Basis of preparation

The Company prepares its parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. In accordance with Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current profit and loss and other comprehensive income in the parent company only financial statements are the same as the allocated amount attributable to the parent company's owners in the consolidated financial statements, and the owner's equity in the parent company only financial statements is the same as the equity attributable to the parent company's owners in the consolidated financial statements. Therefore, investments in subsidiaries in the parent company only financial statements are presented as "investment accounted for using equity method" and necessary valuation adjustments are made.

The parent company only financial statements are prepared on a historical cost basis, except for financial instruments measured at fair value. Unless otherwise indicated, the parent company only financial statements are presented in thousands of New Taiwan Dollars.

3. Foreign currency transactions

The parent company only financial statements of the Company are presented in New Taiwan Dollars.

Foreign currency transactions are recorded in the functional currency at the exchange rate on the transaction date. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the closing rate on that day, while non-monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rate on the day of measurement. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rate on the date of the original transaction.

Except as described below, exchange differences arising from settlement or translation of monetary items are recognized in profit or loss in the period in which they arise:

- (1) For foreign currency borrowings incurred to acquire qualifying assets, if the resulting exchange differences are considered as an adjustment to interest cost, they are capitalized as part of the borrowing cost and included in the cost of the asset.
- (2) For foreign currency items under IFRS 9 "Financial Instruments", they are accounted for according to the accounting policies for financial instruments.
- (3) Exchange differences arising from monetary items that form part of the net investment in a foreign operation of the reporting entity are originally recognized in other comprehensive income and reclassified from equity to profit or loss upon disposal of the net investment.

When the benefit or loss of a non-monetary item is recognized in other comprehensive income, any exchange component of that benefit or loss is recognized in other comprehensive income. When the benefit or loss of a non-monetary item is recognized in profit or loss, any exchange component of that benefit or loss is recognized in profit or loss.

4. Conversion of foreign currency financial statements

When preparing parent company only financial statements, the assets and liabilities of foreign operations are translated into New Taiwan Dollars at the closing exchange rate on the balance sheet date, and revenue and expense items are translated at the average exchange rate for the period. Exchange differences arising from the conversion are recognized as other comprehensive income and are reclassified to profit or loss when disposing of the foreign operation. For partial disposals involving the loss of control of a subsidiary that includes a foreign operation and the retained interest after partial disposal of interests in associates or joint arrangements that include a foreign operation, the cumulative translation difference is treated as a disposal.

For partial disposals of subsidiaries that include foreign operations without losing control, the cumulative translation differences recognized in other comprehensive income are proportionately reattributed to the non-controlling interests of the foreign operation without being recognized as profit or loss. For partial disposals of associates or joint arrangements that include foreign operations without losing significant influence or joint control, the cumulative translation differences are proportionately reclassified to profit or loss.

The goodwill arising from the acquisition of foreign operations and the fair value adjustments to the carrying amounts of their assets and liabilities are treated as assets and liabilities of the foreign operations and are reported in their functional currency.

5. Standard in determining whether the asset or liability are current or non-current

An asset is classified as current if it meets any of the following criteria. If it does not, it is classified as non-current:

- (1) The asset is expected to be realized during the normal operating cycle or will be sold or consumed.
- (2) The asset is held primarily for trading purposes.
- (3) The asset is expected to be realized within twelve months after the reporting period.
- (4) The asset is cash or a cash equivalent, but is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current if it meets any of the following criteria. If it does not, it is classified as non-current:

- (1) The liability is expected to be settled during the normal operating cycle.
- (2) The liability is held primarily for trading purposes.
- (3) The liability is expected to be settled within twelve months after the reporting period.
- (4) At the end of the reporting period, the company does not have the right to defer the settlement of the liability for at least twelve months after the reporting period.

6. Cash and cash equivalents

Cash and cash equivalents refer to cash on hand, demand deposits, and short-term investments with high liquidity and minimal risk of value fluctuation that can be readily converted to a known amount of cash.

7. Financial instruments

Financial assets and financial liabilities are recognized as financial instruments when they become parties to the contractual terms of such instruments.

For financial assets and financial liabilities falling within the scope of IFRS 9, “Financial Instruments,” they are initially measured at fair value directly attributable to financial assets and financial liabilities (excluding financial assets and financial liabilities classified at fair value through profit or loss) acquired or issued in a transaction, plus or minus any directly attributable transaction costs of those financial assets and financial liabilities, respectively.

(1) Recognition and measurement of financial assets

The recognition and derecognition of all regular traded financial assets of the Company are processed on the trade date for accounting purposes.

The Company classifies financial assets into subsequent measurement at amortized cost, fair value through other comprehensive income, or fair value through profit or loss, based on the following two criteria:

- A. Business model for managing financial assets
- B. Characteristics of contractual cash flows of financial assets

Financial assets measured at amortized cost

Financial assets meeting both of the following conditions are measured at amortized cost and reported on the balance sheet under items such as accounts receivable, notes receivable, financial assets measured at amortized cost, and other receivables:

- A. Business model for managing financial assets: holding financial assets to collect contractual cash flows
- B. Characteristics of contractual cash flows of financial assets: cash flows consisting solely of principal and interest on the principal amount outstanding

These financial assets (excluding those involving hedging relationships) are subsequently measured at amortized cost, which is the original amount measured at initial recognition, minus any principal repaid, plus or minus the cumulative amortization amount representing the difference between the original amount and the maturity amount (using the effective interest rate method), and adjusted for impairment losses. When derecognized, amortized through the amortization process, or impairment gains or losses are recognized, the gains or losses are recognized in profit or loss.

Interest calculated using the effective interest rate method (by multiplying the total book value of financial assets by the effective interest rate) or in the following situations is recognized in profit or loss:

- A. If it is a credit-impaired financial asset purchased or originated, the interest is calculated by multiplying the effective interest rate adjusted for credit by the financial asset’s amortized cost.
- B. If it is not the above situation but becomes credit-impaired subsequently, the interest is calculated by multiplying the effective interest rate by the financial asset’s amortized cost.

Financial assets measured at FVTOCI

Financial assets that meet both of the following conditions shall be measured at fair value through other comprehensive income and reported on the balance sheet:

- A. Business model for managing financial assets: collecting contractual cash flows and selling the financial asset.

B. Characteristics of contractual cash flows of financial assets: the cash flows are solely payments of principal and interest on the principal amount outstanding.

The recognition of gains or losses related to these financial assets is explained as follows:

- A. Except for impairment gains or losses and foreign exchange gains or losses recognized in profit or loss before derecognition or reclassification, gains or losses are recognized in other comprehensive income.
- B. Accumulated gains or losses previously recognized in other comprehensive income are reclassified to profit or loss as reclassification adjustments when the financial asset is derecognized.
- C. Interest is recognized in profit or loss based on the effective interest rate method (multiplying the effective interest rate by the total carrying amount of the financial asset) or in the following circumstances:
 - (a) If it is a credit-impaired financial asset purchased or originated, the interest is calculated by multiplying the effective interest rate adjusted for credit by the financial asset's amortized cost.
 - (b) If it is not the above situation but becomes credit-impaired subsequently, the interest is calculated by multiplying the effective interest rate by the financial asset's amortized cost.

In addition, for equity instruments within the scope of IFRS 9 and that are neither held for trading nor designated at fair value through profit or loss for accounting purposes by an acquirer in a business combination within the scope of IFRS 3, and for which there is no unfulfilled right of payment, the entity may choose (irrevocably) to recognize subsequent changes in fair value in other comprehensive income at initial recognition. The amount recognized in other comprehensive income may not subsequently be transferred to profit or loss (when the equity instrument is disposed of, the cumulative amount recognized in other comprehensive income will be included in other equity and transferred directly to retained earnings), and the financial asset measured at fair value through other comprehensive income is reported on the balance sheet. Dividends from the investment are recognized in profit or loss, unless the dividends clearly represent a recovery of part of the investment cost.

Financial assets measured at FVTPL

Except for financial assets that meet specific criteria and are measured at amortized cost or measured at fair value through other comprehensive income, all financial assets are measured at fair value through profit or loss, and financial assets measured at fair value through profit or loss are reported on the balance sheet.

For these financial assets, fair value is used to measure them, and any gains or losses arising from remeasurement are recognized in profit or loss. The gains or losses recognized in profit or loss include any dividends or interest received from these financial assets.

(2) Impairment of financial assets

The Company recognizes and measures impairment losses for debt instrument investments measured at amortized cost and financial assets measured at fair value through other comprehensive income based on expected credit losses. For debt instrument investments measured at fair value through other comprehensive income, the allowance for expected credit losses is recognized in other comprehensive income

and does not reduce the carrying amount of the investment.

The Company measures expected credit losses by reflecting the following:

- A. An unbiased amount determined by evaluating the range of possible outcomes weighted by their respective probabilities.
- B. The time value of money.
- C. Reasonable and supportable information related to past events, current conditions, and forecasts of future economic conditions that can be obtained without undue cost or effort as of the balance sheet date.

The methods for measuring the provision for credit losses are explained as follows:

- A. Measured by the expected credit loss amount for 12 months: This includes financial assets where credit risk has not significantly increased since initial recognition or those with low credit risk at the reporting date. In addition, it includes provisions for credit losses measured by the expected credit loss amount for the remaining period during the previous reporting period, but no longer meets the conditions of significant increase in credit risk since initial recognition at the current reporting date.
- B. Measured by the expected credit loss amount for the remaining period: This includes financial assets where credit risk has significantly increased since initial recognition or those that are purchased or originated credit-impaired financial assets.
- C. For trade receivables or contract assets within the scope of IFRS 15, the Company uses the expected credit loss amount for the remaining period to measure the provision for credit losses.
- D. For lease receivables arising from transactions within the scope of IFRS 16, the Company uses the expected credit loss amount for the remaining period to measure the provision for credit losses.

At each reporting date, the Company evaluates whether the credit risk of financial instruments has significantly increased since initial recognition by comparing the changes in default risk between the reporting date and the initial recognition date. For additional information related to credit risk, please refer to Note XII.

(3) Derecognition of financial assets

The Company shall derecognize a financial asset when one of the following criteria is met:

- A. The contractual rights to receive cash flows from the financial asset expire.
- B. The financial asset is transferred, and substantially all the risks and rewards of ownership of the asset are transferred to another party.
- C. The Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but has transferred control of the asset.

When a financial asset is derecognized in its entirety, the difference between the carrying amount of the financial asset and the consideration received or receivable, together with any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity instruments

Classification of liabilities and equity instruments

The financial liabilities and equity instruments issued by the Company are classified as financial liabilities or equity instruments based on the substance of the contractual agreement and the definition of financial liabilities and equity instruments.

Equity instruments

Equity instruments refer to any contract that recognizes the residual interest of the Company in assets after deducting all liabilities. The equity instruments issued by the Company are recognized at the amount received, net of direct issue costs.

Compound Instruments

The Company identifies financial liability and equity components of the issued convertible bonds based on their contractual terms. Furthermore, for issued convertible bonds, the economic characteristics and risks of embedded call and put options are assessed for their close association with the underlying debt instrument before separating the equity components.

For the liability portion not involving derivative instruments, its fair value is assessed using market interest rates of similar bonds without conversion features and is classified as financial liabilities measured at amortized cost until conversion or redemption. As for other embedded derivative instrument portions not closely related to the economic characteristics and risks of the main contract (e.g., embedded repurchase and redemption rights confirmed with execution prices that cannot be equal to the amortized cost of the debt instrument on each execution date), apart from the equity components, they are classified as liability components and subsequently measured at fair value through profit or loss. The amount of equity components is determined by the fair value of convertible bonds less the liability component, and its carrying amount is not remeasured in subsequent accounting periods. If the issued convertible bond does not have equity components, it is treated according to IFRS 9 for hybrid instruments.

Transaction costs are allocated to liability and equity components based on the proportion of the initial recognition of convertible bonds.

When the holder of convertible bonds exercises the conversion right before the bond's maturity, the carrying amount of the liability component is adjusted to the carrying amount that should have been at the time of conversion, which serves as the basis for the issuance of ordinary shares.

Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost when initially recognized.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as measured at fair value through profit or loss.

A financial liability is classified as held for trading if it meets one of the following conditions:

- A. Its primary purpose is to be sold in the short term;
- B. It is part of an identified portfolio of financial instruments that are managed together, and there is evidence of a recent pattern of short-term profit-taking; or
- C. It is a derivative instrument (excluding financial guarantee contracts or derivatives designated and effective as hedging instruments).

For contracts containing one or more embedded derivative instruments, the entire mixed (combined) contract can be designated as a financial liability measured at fair value through profit or loss. At initial recognition, it can be designated as measured at fair value through profit or loss when one of the following factors provides more relevant information:

- A. The designation eliminates or significantly reduces measurement or recognition inconsistency; or
- B. A group of financial liabilities or a group of financial assets and financial liabilities are managed and evaluated on a fair value basis according to written risk management or investment strategies, and the information on the investment portfolio provided internally to management is also based on fair value.

Gains or losses arising from the remeasurement of such financial liabilities are recognized in profit or loss, including any interest paid on the financial liabilities.

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost include accounts payable and borrowings, which are subsequently measured using the effective interest method. When a financial liability is derecognized and when amortization is performed using the effective interest method, the related gains or losses and amortization amounts are recognized in profit or loss.

The calculation of amortized cost takes into account any discount or premium at acquisition and transaction costs.

Derecognition of financial liabilities

When the obligation of a financial liability is discharged, cancelled or expired, the financial liability shall be derecognized.

When the Company exchanges debt instruments with significant differences with creditors or significantly modifies all or part of the terms of existing financial liabilities (regardless of whether it is due to financial difficulties), the original liability is derecognized and the new liability is recognized. When derecognizing financial liabilities, the difference between the carrying amount of the financial liabilities and the total consideration paid or payable (including non-cash assets transferred or liabilities assumed) shall be recognized in profit or loss.

(5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities can be offset and presented in the balance sheet on a net basis only when there is a legally enforceable right to offset the recognized

amounts and there is an intention to settle the assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

8. Derivative instruments

The Company holds or issues derivative instruments to hedge against foreign exchange and interest rate risks. Those designated as effective hedges are reported as hedging financial assets or liabilities on the balance sheet, while the remaining ones not designated as effective hedges are reported as financial assets or financial liabilities measured at fair value through profit or loss on the balance sheet.

Derivative instruments are initially measured at fair value on the contract execution date and subsequently measured at fair value. When the fair value of a derivative instrument is positive, it is a financial asset; when the fair value is negative, it is a financial liability. Changes in the fair value of derivative instruments are recognized directly in profit or loss, except for those involving hedges and considered effective, which are recognized in profit or loss or equity depending on the type of hedge.

For a main contract that is not a financial asset or financial liability, when an embedded derivative instrument is not closely related to the economic characteristics and risks of the main contract, and the main contract is not measured at fair value through profit or loss, the embedded derivative instrument should be treated as a separate derivative instrument.

9. Fair value measurement

Fair value refers to the price that could be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in one of the following markets:

(1) the principal market for the asset or liability, or

(2) if there is no principal market, the most advantageous market for the asset or liability

The principal or most advantageous market must be one that the Company has access to in order to enter into transactions.

Fair value measurement of assets or liabilities uses the assumptions that market participants would use when pricing the asset or liability, based on the economic benefits they expect to receive.

The fair value measurement of non-financial assets considers the ability of market participants to generate economic benefits by using the asset in its highest and best use or by selling the asset to another market participant who would use it in its highest and best use.

The Company uses appropriate and sufficient valuation techniques in the circumstances and with observable inputs maximized and unobservable inputs minimized.

10. Inventory

Inventory is valued using the lower of cost and net realizable value on an item-by-item basis.

Cost refers to the costs incurred to bring the inventory to its present location and condition, ready for sale or use in production.

Raw Materials	Measured at actual purchase cost, using the weighted average method.
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Finished Goods and Work in Progress Includes direct materials, labor, variable manufacturing costs, and fixed manufacturing costs allocated based on normal production capacity, but does not include borrowing costs.

Net realizable value refers to the estimated selling price in the ordinary course of business, less the estimated costs of completion, disposal, and transportation.

The provision of services is accounted for in accordance with IFRS 15 and is not within the scope of inventory.

11. Investment accounted for using equity method

The Company's investments in associates or joint ventures, other than those classified as assets held for sale, are accounted for using equity method. Associates are entities over which the Company has significant influence, while joint ventures are entities in which the Company has rights to the net assets under a joint arrangement (with joint control).

Under the equity method, investments in associates or joint ventures on the balance sheet are recorded at cost plus the Company's share of changes in the net assets of the associates or joint ventures, recognized according to the ownership percentage. The carrying amount of investments in associates or joint ventures and other related long-term interests is reduced to zero after applying the equity method, and additional losses and liabilities are recognized within the scope of legal obligations, constructive obligations, or payments made on behalf of associates. Unrealized gains or losses arising from transactions between the Company and its associates or joint ventures are eliminated according to the Company's ownership interest in the associates or joint ventures.

When changes in equity of associates or joint ventures occur that are not due to profit or loss and other comprehensive income items and do not affect the Company's ownership interest, the Company recognizes the related changes in ownership equity according to its ownership percentage. The recognized capital reserve is subsequently reclassified to profit or loss upon disposal of the associate or joint venture, based on the disposal percentage.

When associates or joint ventures issue new shares and the Company does not subscribe according to its ownership percentage, resulting in changes in the investment ratio and changes in the Company's share of the net assets of the associate or joint venture, the "capital reserve" and "investment accounted for using equity method" are adjusted for the increase or decrease. When the investment ratio decreases, the previously recognized items in other comprehensive income are reclassified to profit or loss or other appropriate accounts according to the decrease percentage. The aforementioned recognized capital reserve is subsequently reclassified to profit or loss upon disposal of the associate or joint venture, based on the disposal percentage.

The financial statements of associates or joint ventures are prepared for the same reporting periods as the Company and are adjusted to ensure their accounting policies are consistent with the Company's accounting policies.

At the end of each reporting period, the Company assesses whether there is objective evidence that investments in associates or joint ventures have been impaired in accordance with IAS 28 "Investments in Associates and Joint Ventures". If there is objective evidence of impairment, the Company calculates the impairment amount as the difference between the recoverable amount and the carrying amount of the associate or joint venture, in accordance with IAS 36 "Impairment of Assets", and recognizes the amount in the profit or loss of the associate or joint venture. The recoverable amount, if based on the

investment's value in use, is determined by the Company according to the following estimates:

- (1) The Company's share of the present value of estimated future cash flows generated by the associate or joint venture, including cash flows from operations and the proceeds from the ultimate disposal of the investment; or
- (2) The present value of estimated future cash flows from dividends expected to be received from the investment and the proceeds from the ultimate disposal of the investment.

As the goodwill component of the carrying amount of investments in associates or joint ventures is not separately recognized, there is no need to apply the goodwill impairment test provisions of IAS 36 "Impairment of Assets".

When the Company loses significant influence over an associate or joint control over a joint venture, the retained portion of the investment is measured at fair value and recognized. When significant influence or joint control is lost, the difference between the carrying amount of the investment in the associate or joint venture and the fair value of the retained investment plus the proceeds from the disposal is recognized as profit or loss. In addition, when an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method without remeasuring the retained interest.

12. Property, plant and equipment

Property, plant, and equipment are recognized based on acquisition cost, and are displayed after deducting accumulated depreciation and accumulated impairment. The aforementioned cost includes the cost of dismantling, removal, and restoration of the location of the property, plant, and equipment, as well as necessary interest expenses incurred due to unfinished projects. If the various components of property, plant, and equipment are significant, depreciation is separately recorded. When a significant component of property, plant, and equipment needs to be periodically reset, the Company treats it as an individual asset and recognizes it separately based on specific useful life and depreciation method. The book value of the reset part is then eliminated in accordance with the exclusion rules under IAS 16 "Property, Plant, and Equipment". If significant overhaul costs meet the recognition criteria, they are recognized as a part of the book value of property, plant, and equipment as replacement costs, while other repair and maintenance expenses are recognized in profit or loss.

Depreciation is recognized using the straight-line method based on the estimated useful lives of the following assets:

<u>Asset category</u>	<u>Useful life</u>
Building and construction	3-60 years
Machinery and equipment	3-10 years
Transportation equipment	3-5 years
Other equipment	3-10 years

If an item or any significant component of property, plant, and equipment is disposed of or is expected not to generate economic benefits from use or disposal in the future after initial recognition, it is eliminated and recognized in profit or loss.

The residual value, useful life, and depreciation method of property, plant, and equipment are evaluated at the end of each fiscal year, and if the expected values differ from previous estimates, such changes are recognized as accounting estimate changes.

13. Lease

On the day the contract is established, the Company evaluates whether the contract is a lease or contains a lease. If the transfer of the right to control the use of a recognized asset is exchanged for consideration for a period of time, the contract is a lease or contains a lease. To evaluate whether the contract transfers the right to control the use of a recognized asset for a period of time, the Company evaluates whether it has the following two during the entire period of use:

- (1) The right to obtain almost all economic benefits from the use of the recognized asset; and
- (2) The right to direct the use of the recognized asset.

For contracts that are leases or contain leases, the Company treats each lease component in the contract as a separate lease and treats the non-lease components in the contract separately. For contracts that include one lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to the lease component based on the relative standalone price of each lease component and the aggregate standalone price of the non-lease components. The relative standalone prices of the lease and non-lease components are determined based on the prices charged by the lessor (or similar supplier) for the respective component (or similar component). If the observable standalone price is not readily available, the Company maximizes the use of observable information to estimate the standalone price.

Company as a lessee

Except for short-term leases or leases of low-value assets that meet certain criteria, when the Company is the lessee in a lease contract, it recognizes right-of-use assets and lease liabilities for all leases.

On the commencement date, the Company measures the lease liability at the present value of the lease payments not yet paid on that date. If the implicit rate of the lease is readily determinable, the lease payments are discounted using that rate. If not, the lessee's incremental borrowing rate is used. On the commencement date, the lease payments included in the lease liability comprise the following payments related to the right to use the underlying asset and not yet paid on that date:

- (1) Fixed payments (including substantive fixed payments), less any lease incentives receivable;
- (2) Variable lease payments based on an index or rate (using the index or rate at commencement date);
- (3) Amounts expected to be payable by the lessee under residual value guarantees;
- (4) The exercise price of a purchase option, if the Company is reasonably certain to exercise that option; and
- (5) Penalties payable by the lessee for terminating the lease, if the lease term reflects the lessee's option to terminate the lease.

After the commencement date, the Company measures the lease liability using the amortized cost basis, increases the carrying amount of the lease liability for interest on the lease liability using the effective interest method, and reduces the carrying amount of the lease liability for lease payments made.

On the commencement date, the Company measures the right-of-use assets at cost, which includes:

- (1) The initial measurement of lease liabilities;
- (2) Any lease payments made on or before the commencement date, less any lease incentives received;
- (3) Any initial direct costs incurred by the lessee; and
- (4) The estimated cost of dismantling, removing, and restoring the site or of restoring the underlying asset to the condition required by the terms and conditions of the lease.

Subsequent to initial recognition, the right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses, which means the cost model is applied to measure the right-of-use assets.

If the ownership of the underlying asset transfers to the Company at the end of the lease term or if the cost of the right-of-use asset reflects the Company's exercise of a purchase option, depreciation is recognized on the right-of-use asset from the commencement date until the end of its useful life. Otherwise, depreciation is recognized on the right-of-use asset from the commencement date until the earlier of the end of its useful life or the end of the lease term.

The Company applies IAS 36 "Impairment of Assets" to determine whether the right-of-use assets are impaired and to account for any recognized impairment losses.

Except for short-term leases or leases of low-value assets, the Company reports right-of-use assets and lease liabilities on the balance sheet and separately reports depreciation expense and interest expense related to leases on the statement of comprehensive income. For short-term leases and leases of low-value assets, the Company chooses to recognize lease payments as an expense on a straight-line basis or on another systematic basis over the lease term.

Company as a lessor

On the contract inception date, the Company classifies each lease as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. If it does not transfer substantially all the risks and rewards, it is classified as an operating lease. On the commencement date, the Company recognizes assets held under finance leases on the balance sheet and expresses them as lease receivables using the net investment in the lease.

For contracts that contain both lease and non-lease components, the Company applies the provisions of IFRS 15 to allocate consideration in the contract.

The Company recognizes lease payments from operating leases as rental income on a straight-line basis or another systematic basis. For operating leases with variable lease payments that are not dependent on an index or rate, they are recognized as rental income when the event that triggers payment occurs.

14. Intangible assets

Separately acquired intangible assets are initially measured at cost upon initial recognition. Intangible assets acquired through business combinations are measured at their fair value on the acquisition date. After initial recognition, intangible assets are carried at their cost less accumulated amortization and accumulated impairment losses. Internally generated intangible assets that do not meet the recognition criteria are not capitalized but are recognized as expenses when incurred.

The useful lives of intangible assets are classified as finite or indefinite.

Finite-lived intangible assets are amortized over their useful lives and are subject to impairment testing when there are indications of impairment. The amortization period and method for finite-lived intangible assets are reviewed at least at the end of each financial year. If the estimated useful life of the asset differs from the previous estimate or if the expected pattern of consumption of future economic benefits has changed, the amortization method or period will be adjusted and treated as a change in accounting estimate.

Indefinite-lived intangible assets are not amortized but are subject to impairment testing at the individual asset or cash-generating unit level annually. Indefinite-lived intangible assets are assessed at each reporting period to determine whether events and circumstances continue to support an indefinite useful life for the asset. If the useful life changes from indefinite to finite, the change is applied prospectively. Gains or losses resulting from the derecognition of intangible assets are recognized in profit or loss.

The Company's intangible asset accounting policies are summarized as follows:

	Trademark rights	Computer software
Useful life	Finite (4~5 years)	Finite (1~5 years)
Amortization method used	Straight-line method	Straight-line method
Internally generated or externally acquired	Externally acquired	Externally acquired

15. Impairment of non-financial assets

At the end of each reporting period, the Company evaluates whether there are indications of impairment for all assets that are subject to IAS 36 “Impairment of Assets”. If there are indications of impairment or if a regular impairment test is required for a particular asset, the Company tests the asset on an individual basis or the cash-generating unit to which the asset belongs. If the carrying amount of the asset or cash-generating unit is greater than its recoverable amount, impairment loss is recognized. The recoverable amount is the higher of the net fair value or the value in use.

At the end of each reporting period, the Company also assesses whether there are indications that previously recognized impairment losses for assets other than goodwill may no longer exist or may have decreased. If such indications exist, the Company estimates the recoverable amount of the asset or cash-generating unit. If the recoverable amount of the asset increases due to changes in the estimated service potential of the asset, the impairment loss is reversed. However, the carrying amount after reversal cannot exceed the carrying amount of the asset if impairment loss had not been recognized, net of accumulated depreciation or amortization.

Goodwill of a cash-generating unit or group, whether or not there are indications of impairment, is subject to regular impairment testing on an annual basis. If an impairment loss is recognized, it is first allocated to reduce the carrying amount of goodwill, and any excess is allocated to the other assets of the cash-generating unit on a pro-rata basis based on the relative carrying amounts of those assets. Impairment loss on goodwill, once recognized, cannot be reversed for any reason.

Impairment losses and reversals of continuing operations are recognized in profit or loss.

16. Provision for liabilities

The provision for liabilities is recognized when there is a present obligation (legal or constructive) arising from 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. When the Company expects that some or all of the provision for liabilities will be reimbursed, it is only recognized as a separate asset when the reimbursement is virtually certain. If the time value of money is significant, the provision for liabilities is discounted using a pre-tax rate that reflects the specific risks of the liability. When discounting the liability, the increase in the amount of the liability due to the passage of time is recognized as borrowing cost.

17. Treasury stock

When the Company acquires the parent company's shares (treasury stock), they are recognized at the acquisition cost and presented as a deduction from equity. Price differences in treasury stock transactions are recognized under equity items.

18. Revenue recognition

The revenue from contracts with customers in the Company is generated from the sale of goods, with the accounting treatment described as follows:

Sale of goods

The Company manufactures and sells goods, recognizing revenue when the promised goods are delivered to the customer and the customer obtains control (i.e., the customer has the ability to direct the use of and obtain almost all remaining benefits from the goods), mainly being cooling fans, based on the prices described in the contract.

The credit period for the Company's sale of goods transactions ranges from 30 to 150 days. Most contracts recognize accounts receivable when control of the goods is transferred and there is an unconditional right to receive the consideration. Such accounts receivable usually have a short period and do not constitute a significant financing component. However, for some contracts, a portion of the consideration is collected from the customers at the time of signing the contract, and the Company undertakes the obligation to provide subsequent services, so they are recognized as contract liabilities.

The duration of the aforementioned contract liabilities being reclassified as revenue usually does not exceed one year and does not result in the creation of a significant financing component.

19. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of that asset. All other borrowing costs are recognized as expenses incurred during the period. Borrowing costs include interest and other costs incurred in connection with borrowing funds.

20. Post-retirement benefit plans

The Company applies employee retirement plans to all formally appointed employees. Employee retirement funds are fully deposited with the Supervisory Committee of Business Entities' Labor Retirement Reserve and placed in a special retirement fund account. Since the aforementioned retirement funds are deposited in the name of the Supervisory Committee of Business Entities' Labor Retirement Reserve, they are completely separated from the Company, and therefore not included in the parent company only financial statements mentioned above.

For defined contribution post-retirement benefit plans, the Company bears a monthly employee retirement contribution rate of no less than six percent of the employee's monthly salary, and the contribution amount is recognized as a current expense.

For defined benefit post-retirement benefit plans, provisions are made according to actuarial reports at the end of the annual reporting period based on the projected unit credit method. The remeasurement of net defined benefit liabilities (assets) includes any changes in plan asset returns and the impact of asset ceilings, less the amount of net interest on net defined benefit liabilities (assets) and actuarial gains and losses. The remeasurement of net defined benefit liabilities (assets) is recognized under other comprehensive income items when it occurs and is immediately recognized in retained earnings. Past service costs are changes in the present value of the defined benefit obligation arising from plan amendments or curtailments and are recognized as expenses on the earlier of the following dates:

- (1) When the plan amendment or curtailment occurs; and
- (2) When the Company recognizes the related restructuring costs or termination benefits.

The net interest on net defined benefit liabilities (assets) is determined by multiplying the net defined benefit liabilities (assets) by the discount rate, both determined at the beginning of the annual reporting period, taking into account any changes in the net defined benefit liabilities (assets) due to contributions and benefit payments during that period.

21. Income taxes

Income tax expense (benefit) refers to the aggregate amount included in determining the results of operations for the period related to current and deferred income taxes.

Current income tax

The current income tax liability (asset) related to the current and prior periods is measured using the enacted or substantively enacted tax rates and laws at the end of the reporting period. Current income tax related to items recognized in other comprehensive income or directly in equity is separately recognized in other comprehensive income or equity, respectively, and not in profit or loss.

The portion of the undistributed earnings subject to additional corporate income tax is recognized as an income tax expense on the date when the decision to distribute the earnings is made at a shareholders' meeting.

Deferred income tax

Deferred income tax is calculated on the temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet at the end of the reporting period.

Deferred tax liabilities are recognized for all taxable temporary differences, except for the following two cases:

- (1) The initial recognition of goodwill, or assets or liabilities generated from transactions which are not part of a business combination and are recognized without affecting accounting profit or taxable income (loss) and creating equivalent taxable and deductible temporary differences at the time of transaction.
- (2) Taxable temporary differences arising from investments in subsidiaries, associates, and interests in joint arrangements, where the timing of the reversal can be controlled, and it is highly probable that the reversal will not occur in the foreseeable future.

Deferred tax assets arising from deductible temporary differences, unused tax losses, and unused tax credits are recognized to the extent that it is probable that future taxable profits will be available, except for the following two cases:

- (1) Related to the deductible temporary differences arising from the initial recognition of assets or liabilities from transactions which are not part of a business combination and are recognized without affecting accounting profit or taxable income (loss) and creating equivalent taxable and deductible temporary differences at the time of transaction.
- (2) Related to deductible temporary differences arising from investments in subsidiaries, associates, and interests in joint arrangements, recognized only to the extent that it is probable that they will reverse in the foreseeable future and that there will be sufficient taxable profits available to utilize the temporary differences when they reverse.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to the period when the asset is realized or the liability is settled, based on the enacted or substantively enacted tax rates and laws at the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would arise from the manner of recovery of assets or settlement of liabilities carrying amounts expected at the end of the reporting period. Deferred income tax related to items not recognized in profit or loss is not recognized in profit or loss but is recognized in other comprehensive income or directly in equity based on the nature of the underlying transaction. Deferred tax assets are reviewed and recognized at the end of each reporting period.

Deferred tax assets and liabilities only have statutory enforceability to the extent that there is offsetting income tax asset and income tax liability in the current period from the same taxing authority, and they relate to income taxes levied by the same tax authority on the same taxpayer.

According to the temporary exception of “International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12),” it is not permissible to recognize deferred tax assets and liabilities related to Pillar Two income taxes, nor to disclose related information of them.

22. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, identifiable assets acquired, and liabilities assumed in a business combination are measured at their fair values on the acquisition date. For each business combination, the acquirer measures non-controlling interests at fair value or as a proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the period incurred and included in administrative expenses.

When the Company acquires a business, it assesses the classification and designation of assets and liabilities based on the contractual terms, economic conditions, and other relevant factors existing on the acquisition date, including the separation of embedded derivatives in the main contracts held by the acquiree.

If a business combination is completed in stages, the acquirer's previously held equity interest in the acquiree is remeasured at its fair value on the acquisition date, and the resulting gain or loss is recognized in the current period's profit or loss.

Contingent consideration expected to be transferred is recognized at its fair value on the acquisition date. Subsequent changes in the fair value of contingent consideration classified as an asset or liability are recognized as current period profit or loss or other comprehensive income changes according to IFRS 9. However, contingent consideration classified as equity is not remeasured until it is finally settled under the equity item.

The initial measurement of goodwill is the total of the consideration transferred and non-controlling interests, exceeding the fair value of the identifiable assets and liabilities acquired by the Company. If the consideration is less than the fair value of the acquired net assets, the difference is recognized as current period profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment. Goodwill arising from a business combination is allocated from the acquisition date to each cash-generating unit within the Company that is expected to benefit from the combination, regardless of whether the acquiree's other assets or liabilities are attributed to such cash-generating units. Each goodwill allocation unit or group of units represents the lowest level at which goodwill is monitored for internal management purposes and is no larger than a pre-aggregated operating segment.

When disposing of a portion of a cash-generating unit that includes goodwill, the carrying amount of the disposed portion includes goodwill related to the disposed operation. The disposed goodwill is measured based on the relative recoverable amounts of the disposed operation and the retained portion.

V. Critical accounting judgments, estimates and key sources of assumption uncertainty

In preparing the parent company only financial statements, the management of the Company is required to make judgments, estimates and assumptions at the end of the reporting period, which will affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. However, the uncertainty associated with these significant assumptions and estimates may result in significant adjustments to the carrying amounts of assets or liabilities in future periods.

1. Judgments

In the process of adopting the Company's accounting policies, the management makes the following judgments that have the most significant impact on the amounts recognized in the financial statements:

(1) Judging control over investee companies without majority voting rights

The Company does not hold majority voting rights in some investee companies. However, after considering factors such as the Company's absolute shareholding ratio, other shareholders' relative shareholding ratios and dispersion of equity, written agreements among shareholders, potential voting rights, and other factors, the Company judges that it has control over them. Please refer to Note IV.

2. Estimates and assumptions

The main source of uncertainty for estimates and assumptions made about the future as of the end of the reporting period is that there is a significant risk of material adjustment to the carrying amounts of assets and liabilities in the next financial year. The explanation is as follow:

(1) Fair value of financial instruments

When the fair value of financial assets and financial liabilities recognized in the balance sheet cannot be obtained from an active market, the fair value is determined using valuation techniques, including the income approach (e.g., discounted cash flow models) or market approach. Changes in assumptions used in these models will affect the reported fair value of financial instruments. Please refer to Note XII.

(2) Impairment of non-financial assets

Impairment occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. The calculation of fair value less costs to sell is based on the price that would be received or paid to transfer the liability in an orderly transaction between market participants at the measurement date, less the incremental costs directly attributable to the disposal of the asset or cash-generating unit. Value in use is based on the discounted cash flow model. Cash flow estimates are based on a five-year budget and do not include uncommitted restructuring or future significant investments required to enhance the performance of the tested cash-generating unit's assets. The recoverable amount is sensitive to the discount rate and expected future cash inflows and growth rates used for extrapolation purposes. For the main assumptions used to determine the recoverable amount of different cash-generating units, including sensitivity analysis, please refer to the description in Note VI.

(3) Post-retirement benefit plans

The defined benefit cost and present value of defined benefit obligations for post-retirement benefit plans are determined based on actuarial valuations. Actuarial valuations involve various assumptions, including discount rates and expected changes in wages. For a detailed description of the assumptions used to measure defined benefit costs and defined benefit obligations, please refer to Note VI.

(4) Income tax

The uncertainty of income tax exists in the interpretation of complex tax regulations, the amount and timing of future taxable income. Due to the long-term and complex nature of extensive international business relationships and contracts, differences between actual results and assumptions made or changes in these assumptions in the future may require adjustments to the already recorded income tax benefits and expenses in the future. The provision for income tax is based on reasonable estimates made according to the possible audit results of the tax authorities in the countries where the Company operates. The amount provided is based on various factors such as past tax audit experience and different interpretations of tax regulations by taxpayers and their respective tax authorities. The differences in interpretation may give rise to various issues due to the situation of each individual Company's location.

Unused tax losses and income tax credits that can be carried forward, as well as temporary differences that can be deducted, are likely to result in the recognition of deferred tax assets within the scope of future taxable income or temporary differences that should be taxed. The amount of deferred tax assets that can be recognized is estimated based on the timing and level of future taxable income and temporary differences that may occur, as well as future tax planning strategies.

(5) Accounts receivable - estimate of impairment loss

The estimate of impairment loss on accounts receivable of the Company is measured based on the expected credit loss amount over the remaining period of credit, using the difference between the present value of the contractual cash flows (book value) and the expected cash flows to be received (forward-looking information) as the credit loss. However, the discounting effect on short-term accounts receivable is not significant, and the credit loss is measured as the undiscounted difference. If the actual cash flows in the future are less than expected, significant impairment losses may be incurred, please refer to Note VI for details.

(6) Inventory valuation

The estimated net realizable value of inventory takes into account situations such as inventory damage, obsolescence in whole or in part, or a decline in selling prices, and is based on the most reliable evidence of the expected realizable amount of inventory at the time of estimation. Please refer to Note VI.

VI. Description of significant accounting items

1. Cash and cash equivalents

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Cash	\$335	\$385
Demand deposits	277,062	380,875
Time deposits	18,527	18,527
Total	<u>\$295,924</u>	<u>\$399,787</u>

2. Non-current financial assets at fair value through profit or loss

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Designated at FVTPL:		
stock	7,831	—
Non-flowing	<u>\$7,831</u>	<u>\$—</u>

None of the Company's financial assets measured at fair value through profit or loss are guaranteed.

3. Net amount of notes receivable

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Notes receivable-Generated from operating activities	\$2,729	\$1,829
Minus: allowance for loss	—	—
Total	<u>\$2,729</u>	<u>\$1,829</u>

The Company's notes receivable have not been pledged as collateral.

The Company assesses impairments in accordance with IFRS 9, for information on the allowance for losses, please refer to Note VI.18, and for information on credit risk, please refer to Note XII.

4. Net amount of accounts receivable and accounts receivable - related parties

(1)

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Accounts receivable (Total carrying amount)	\$132,227	\$106,238
Minus: allowance for loss	<u>(1,434)</u>	<u>(3,442)</u>
Subtotal	<u>130,793</u>	<u>102,796</u>
Accounts receivable-related parties	107,758	147,319
Minus: allowance for loss	<u>—</u>	<u>—</u>
Subtotal	<u>107,758</u>	<u>147,319</u>
Total	<u>\$238,551</u>	<u>\$250,115</u>

(2) The Company's credit period for customers is generally 30 days after the invoice date, while for some customers, it is 30 to 150 days EOM. The total carrying amounts as of December 31, 2025, and December 31, 2024, were \$239,985 thousand and \$253,557 thousand, respectively. For information on the allowance for losses for the years 2025 and 2024, please refer to Note VI.18, and for credit risk disclosure, please refer to Note XII.

(3) The Company has entered into accounts receivable insurance contracts with the following banks and insurance companies, with details as follows:

<u>Dec. 31, 2025</u>		Foreign Currency Balance	Accounts Receivable Insurance Balance
Bank	Contract Period	(USD)	(NTD)
Taishin International Bank	Jan. 15, 2025~ Dec. 31, 2025	\$219	\$6,873
<u>Dec. 31, 2024</u>		Foreign Currency Balance	Accounts Receivable Insurance Balance
Bank	Contract Period	(USD)	(NTD)
Taishin International Bank	Jan. 18, 2024~ Dec. 31, 2024	\$178	\$5,835

(4) The Company's accounts receivable have not been pledged as collateral.

5. Inventory

(1)

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Raw Materials	\$41	\$30
Finished Goods	3,543	3,281
Total	<u>\$3,584</u>	<u>\$3,311</u>

(2) The cost of inventory recognized as an expense by the Company in 2025 and 2024 was \$738,576 thousand and \$788,843 thousand, respectively, including the decrease in the amount that needed to be recognized for the provision against inventory decline due to the sale of some inventory that had already been provisioned for a decline in value at the beginning of 2025 and 2024. Consequently, the recognized gain from price recovery of inventory was \$700 thousand and \$143 thousand, respectively.

(3) The aforementioned inventory has not been pledged as collateral.

6. Advance payment

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Prepaid expenses	\$2,919	\$1,019
Excess business tax paid	301	243
Other prepayments	2,604	1,990
Total	<u>\$5,824</u>	<u>\$3,252</u>

7. Financial assets at fair value through other comprehensive income

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Investment in equity instruments measured at FVTOCI - non-current :		
Unlisted stocks	<u>\$2,774</u>	<u>\$3,058</u>

The Company's financial assets measured at fair value through other comprehensive income have not been pledged as collateral.

8. Investment accounted for using equity method

(1)

Name of the Investee Company	<u>Dec. 31, 2025</u>		<u>Dec. 31, 2024</u>	
	Amount	Shareholding	Amount	Shareholding
Investee subsidiaries:				
PANAMA ADDA CORP.	\$1,392,550	100%	\$1,409,262	100%
GOLD STRONG ENTERPRISES LIMITED	1,110,203	100%	1,109,646	100%
MOBIEN CORPORATION	31,382	100%	33,710	100%
Melco Technorex Co.,Ltd	89,079	100%	78,531	100%
AX Fan Technology(Vietnam) Co.,Ltd.	166,927	78.08%	88,096	85%
X-FAN (Cayman) Holding Co., Ltd.	313,534	25.081%	318,246	25.081%
Investment in associates:				
CORNERSTONE ALLIANCE VENTURE CAPITAL CORP.	—	—	15,768	30.75%

CSX MATERIAL CO., LTD.	<u>26,050</u>	8.44%	<u>28,611</u>	10.60%
Subtotal	<u>\$3,129,725</u>		<u>\$3,081,870</u>	
Deferred loans - intercompany profit	<u>(4,004)</u>		<u>(6,051)</u>	
Net amount	<u>\$3,125,721</u>		<u>\$3,075,819</u>	

(2) Investments in subsidiaries in the parent company only financial statements are presented as "investment accounted for using equity method" and necessary valuation adjustments are made.

A. The Company's investments in PANAMA ADDA CORP. are as follows:

- (A) In 2000, PANAMA ADDA CORP. invested in ADDA USA, INC., based in the United States.
- (B) In 2001, the Company's investment in PANAMA ADDA CORP. was approved by the Investment Commission, MOEA for an indirect investment to establish ADDA ELECTRIC MACHINERY TECHNOLOGY(KUN SHAN) CO.,LTD in Mainland China. The primary business is the manufacturing, processing, and sales of computer fans.
- (C) In 2004, the Company's investment in PANAMA ADDA CORP. was approved by the Investment Commission, MOEA for an indirect investment to establish KUNSHAN ADD GREEN MICRO-ELECTRIC CO.,LTD in Mainland China. The primary business is the manufacturing, processing, and sales of computer fans.
- (D) In March 2012, the Company's investment in PANAMA ADDA CORP. was approved by the Investment Commission, MOEA for an indirect investment to establish GAO XING WANG ELECTRICAL (SHEN ZHEN) CO. LTD in Mainland China. The primary business is the manufacturing, processing, and sales of plastic and metal accessories, electronic plastic accessories, and cooling fans.
- (E) In 2019, PANAMA ADDA CORP. invested in ADDA EUROPE GMBH, based in Europe. The primary business is the sales of cooling fans.

B. The Company's investments in Samoa GOLD STRONG ENTERPRISES LIMITED are as follows:

- (A) In 2000, the initial investment in Samoa GOLD STRONG ENTERPRISES LIMITED was approved by the Investment Commission, MOEA for an indirect investment to establish GAO JING ELECTRICAL (SHEN ZHEN) CO., LTD in Mainland China. The primary business is the manufacturing, processing, and sales of computer fans.
- (B) In 2010, the initial investment in Samoa GOLD STRONG ENTERPRISES LIMITED was approved by the Investment Commission, MOEA for an indirect investment to establish WARBURG BRANCH TRADE (SHENZHEN) CO., LTD. in Mainland China. The primary business is the sales of computer fans.

- (C) In 2013, the initial investment in Samoa GOLD STRONG ENTERPRISES LIMITED was approved by the Investment Commission, MOEA for an indirect investment to establish ZENG DA ELECTRICAL (HUI ZHOU) CO.LTD in Mainland China. The primary business is the manufacturing, processing, and sales of computer fans.
- (D) In 2018, the initial investment in Samoa GOLD STRONG ENTERPRISES LIMITED was approved by the Investment Commission, MOEA for an indirect investment to establish MELCO TECHNOREX (DALIAN) CO., LTD in Mainland China. The primary business is the manufacturing and sales of cooling fans.
- (E) In 2018, GOLD STRONG ENTERPRISES LIMITED invested in AX FAN TECHNOLOGY CO., LTD, acquiring 51% of the shares. To meet the operational needs of AX FAN ELECTRONICS(ZHAOQING) CO.,LTD., the Company resolved through its Board of Directors on November 9, 2020, to invest an additional USD 1,000 thousand in AX FAN TECHNOLOGY CO., LTD, a joint venture with WENDELIN INT'L CO., LTD., through its subsidiary GOLD STRONG ENTERPRISES LIMITED. The Company contributed USD 878 thousand, and WENDELIN INT'L CO., LTD. contributed USD 122 thousand. The investment was remitted in January 2021. As of December 31, 2022, the total investment amount was USD 2,300 thousand, with the Company's total contribution amounting to USD 1,541 thousand and an adjusted indirect shareholding ratio of 67%. WENDELIN INT'L CO., LTD. contributed USD 759 thousand, and the adjusted indirect shareholding ratio was 33%.
- In response to operational needs, the Company resolved at a board of directors meeting to purchase a 33% stake in AX Fan Technology Co., Ltd. from WENDELIN INT'L CO., LTD. through ADDA USA, INC., which is the sub-subsidiary of the Company, by investing USD 759 thousand on November 9, 2022. As of December 31, 2023, the Company have secured 100% shareholding rights. Of this, the Company's total investment amounted to USD 1,541 thousand for the indirect 67% shareholding, while ADDA USA, INC., which is the sub-subsidiary of the Company, invested a total of USD 759 thousand to obtain the 33% equity stake.
- (F) In 2018, through AX FAN TECHNOLOGY CO., LTD, the Investment Commission, MOEA approved an indirect investment to establish AX FAN ELECTRONICS(ZHAOQING) CO.,LTD. in Mainland China. The primary business is the manufacturing and sales of cooling fans. AX FAN ELECTRONICS(ZHAOQING) CO.,LTD. was dissolved and liquidated on May 8, 2025, by a resolution passed by the board of directors, and the liquidation process was completed on October 16, 2025.

- C. The Company's investments in MOBIEN CORPORATION are as follows:
To integrate resources and enhance competitiveness, the Company's Board of Directors resolved in 2011 to acquire all 500,000 issued shares of MOBIEN CORPORATION for \$8,000 thousand. On March 22, 2012, the Company made an additional investment of \$15,000 thousand in MOBIEN CORPORATION, and on October 29, 2014, repurchased the remaining shares for \$750 thousand. As of December 31, 2018, the Company had acquired 100% of the shares, with goodwill of \$3,502 thousand generated from the investment cost exceeding the net equity value.
- D. The Company's investments in Melco Technorex Co., Ltd. are as follows:
(A) To integrate resources and enhance competitiveness, the Company's Board of Directors resolved on February 5, 2018, to acquire the equity of Melco Technorex Co., Ltd. for \$51,488 thousand. The company is established in Japan and is a non-publicly traded company specializing in the production of cooling fans. Goodwill of \$45,788 thousand was generated from the investment cost exceeding the net equity value.
(B) On March 23, 2022, the Company's Board of Directors resolved to jointly invest with its subsidiary, Melco Technorex Co., Ltd., to purchase a 33% stake in WENDELIN INT'L CO., LTD. Details are provided in Section E.
- E. The Company's investments in AX Fan Technology (Vietnam) Co., Ltd. are as follows:
To integrate resources and enhance competitiveness, the Company's Board of Directors resolved on March 21, 2019, to establish a new joint venture with WENDELIN INT'L CO., LTD. in Vietnam. The total investment amount was USD 7,000 thousand, with the Company contributing USD 4,690 thousand and acquiring 67% of the shares. WENDELIN INT'L CO., LTD. contributed USD 2,310 thousand and acquired 33% of the shares. Subsequently, to meet the needs for factory construction and operational funds, the Board of Directors resolved on January 16, 2020, to make an additional investment of USD 2,000 thousand, with the Company contributing 67%, or USD 1,340 thousand, and WENDELIN INT'L CO., LTD. contributing 33%, or USD 660 thousand. To meet operational needs, the Company's Board of Directors resolved on March 23, 2022, to purchase a 33% stake in WENDELIN INT'L CO., LTD., with the Company contributing USD 1,620 thousand and its subsidiary Melco Technorex Co., Ltd. contributing USD 1,350 thousand. As of December 31, 2022, the Company held 100% of the shares, with a total investment of USD 7,650 thousand and a 85% shareholding, while its subsidiary Melco Technorex Co., Ltd. had a total investment of USD 1,350 thousand and a 15% shareholding. The primary business is the manufacturing, processing, and sales of cooling fans. In order to meet operational needs, the Company's Board of Directors resolved on January 26, 2024, to make an additional investment of USD 4,000 thousand, of which USD 2,500 thousand was contributed by the Company and USD 1,500 thousand by its subsidiary ADDA USA, INC. The base date for the capital increase was March 3, 2025. As of December 31, 2025, the Company's total investment was USD 10,150 thousand, increasing its shareholding to 78.08%. Subsidiary ADDA USA, INC.'s total investment was USD 1,500 thousand, increasing its shareholding to 11.54%. Subsidiary Melco Technorex Co., Ltd. did not participate in this capital increase, resulting in a decrease in its shareholding from 15% to 10.38%.

- F. The Company's investments in X-FAN (Cayman) Holding Co., Ltd. are as follows:
- (A) In order to adjust its operating strategy, the Company's Board of Directors resolved on May 5, 2022, the shareholders' meeting on June 15, 2022, and the Board of Directors' meeting on June 23, 2022, to acquire 8,527,573 issued shares of X-FAN (Cayman) Holding Co., Ltd., representing a 25.081% stake, for \$289,937 thousand. Additionally, goodwill of \$170,630 thousand was generated from the investment cost exceeding the net equity value.
- On August 12, 2022, X-FAN (Cayman) Holding Co., Ltd. underwent a board restructure. The Company acquired two board seats, and the Company' legal representative was appointed as the chairperson by the board.
- Although the Company holds less than 50% of the voting rights in X-FAN (Cayman) Holding Co., Ltd., according to the terms of the share purchase agreement, as of July 1, 2022, the Company has the ability to dominate the activities of the main management personnel and has a contractual agreement with other voting rights holders. The Company has the right of first refusal for the remaining 74.919% of the shares, giving it control and significant influence over X-FAN (Cayman) Holding Co., Ltd.
- (B) X-FAN (Cayman) Holding Co., Ltd. has invested in XINRUILIAN SCIENCE & TECHNOLOGY CO., LTD, which primarily engages in the sales of cooling fans.
- (C) X-FAN (Cayman) Holding Co., Ltd. has invested in XINRUILIAN ELECTRONICS (ZHAOQING)CO.,LTD, which primarily engages in the manufacturing and sales of cooling fans.
- (D) X-FAN (Cayman) Holding Co., Ltd. has invested in ZHAO QING HENGYANG ELECTRONICS.CO.,LTD, which primarily engages in the sales of cooling fans.
- G. The Company has adopted the equity method for CSX MATERIAL CO., LTD. Although the Company's shareholding in CSX MATERIAL CO., LTD. does not exceed 20%, the Company has one seat on the board of directors of CSX MATERIAL CO., LTD., and thus is deemed to have significant influence over CSX MATERIAL CO., LTD.
- H. On October 31, 2025, our company disposed of all of its equity in CORNERSTONE ALLIANCE VENTURE CAPITAL CORP. for a consideration of NT\$280,000, which has been fully recovered.
- I. For the fiscal years 2025 and 2024, the Company has included its associates with more than 50% shareholding in the preparation of consolidated financial statements according to the "Rules for the Preparation of Financial Statements by Securities Issuers."

9. Property, plant and equipment

	Dec. 31, 2025	Dec. 31, 2024
Self-use	\$160,420	\$158,019

(1) Self-use

	Land	Building and construction	Machinery and equipment	Transportation equipment	Other equipment	Total
Cost:						
Jan. 1, 2024	\$52,842	\$179,792	\$37,084	\$1,871	\$38,900	\$310,489
Addition	24,805	5,773	—	—	4,412	34,990
Disposal	—	(123)	(1,066)	—	(795)	(1,984)
Dec. 31, 2024	\$77,647	\$185,442	\$36,018	\$1,871	\$42,517	\$343,495
Addition	—	2,365	4,764	—	2,796	9,925
Disposal	—	(226)	(1,809)	—	(10,728)	(12,763)
Dec. 31, 2025	\$77,647	\$187,581	\$38,973	\$1,871	\$34,585	\$340,657

Depreciation and impairment losses:	Land	Building and construction	Machinery and equipment	Transportation equipment	Other equipment	Total
Jan. 1, 2024	\$301	\$110,035	\$34,401	\$1,729	\$34,386	\$180,852
Addition	—	3,255	1,101	—	2,252	6,608
Disposal	—	(123)	(1,065)	—	(796)	(1,984)
Dec. 31, 2024	\$301	\$113,167	\$34,437	\$1,729	\$35,842	\$185,476
Addition	—	3,554	1,520	—	2,431	7,505
Disposal	—	(214)	(1,809)	—	(10,721)	(12,744)
Dec. 31, 2025	\$301	\$116,507	\$34,148	\$1,729	\$27,552	\$180,237

Total carrying
amount:

Dec. 31, 2025	\$77,346	\$71,074	\$4,825	\$142	\$7,033	\$160,420
Dec. 31, 2024	\$77,346	\$72,275	\$1,581	\$142	\$6,675	\$158,019

(2) The Company's property, plant, and equipment have not been provided as collateral.

(3) The major components of the Company's buildings include the main building, air conditioning equipment, and office decorations, which are depreciated over their useful lives of 60 years, 8 years, and 10 years, respectively.

10. Intangible assets

(1)

	Trademark rights	Computer software	Total
Cost:			
Jan. 1, 2024	\$798	\$57,631	\$58,529
Addition-separately acquired	—	2,610	2,610
Disposal	—	(855)	(855)
Dec. 31, 2024	\$798	\$59,386	\$60,184
Addition-separately acquired	—	112	112
Disposal	(222)	(6,212)	(6,434)
Dec. 31, 2025	\$576	\$53,286	\$53,862

	Trademark rights	Computer software	Total
<u>Amortization:</u>			
Jan. 1, 2024	\$798	\$51,392	\$52,190
Amortization	—	4,454	4,454
Disposal	—	(855)	(855)
Dec. 31, 2024	\$798	\$54,991	\$55,789
Amortization	—	3,110	3,110
Disposal	(222)	(6,212)	(6,434)
Dec. 31, 2025	\$576	\$51,889	\$52,465
<u>Net carrying amount:</u>			
Dec. 31, 2025	\$—	\$1,397	\$1,397
Dec. 31, 2024	\$—	\$4,395	\$4,395

(2) The recognized amortization amounts of intangible assets are as follows:

	2025	2024
Sales and marketing expenses	\$15	\$62
General and administrative expenses	798	1,424
R&D expenses	2,297	2,968
Total	\$3,110	\$4,454

(3) The costs of computer software, such as ERP and other software, are amortized on an average of 1-5 years.

(4) Trademark rights are amortized on an average of 4-5 years.

11. Other non-current assets

	Dec. 31, 2025	Dec. 31, 2024
Prepayments for business facilities	\$—	\$2,244
Refundable deposits	5,257	8,345
Long-term receivables - related parties	—	43,927
Total	\$5,257	\$54,516

12. Short-term loans

(1)

Loan Nature	Dec. 31, 2025	Dec. 31, 2024
Bank L/C material purchase loan	\$7,748	\$5,102
Bank credit loan	750,000	765,000
Total	\$757,748	\$770,102

(2) Loan limits, interest rate ranges, and maturity dates are as follows:

	Dec. 31, 2025	Dec. 31, 2024
Unused loan limit	\$824,262	\$827,070
Annual interest rate range	1.8800%~4.9472%	0.5000%~5.7822%
Maturity date	2026.01.29~2026.05.27	2025.1.15~2025.10.24

13. Other payables

	Dec. 31, 2025	Dec. 31, 2024
Salaries and bonuses payable	\$16,085	\$16,635
Employee bonuses payable	33,787	37,948
Compensation due to directors	4,832	5,442
Other	38,453	40,268
Total	<u>\$93,157</u>	<u>\$100,293</u>

14. Long-term loans

Details of long-term loans as of December 31, 2025, and 2024, are as follows:

Creditor	Dec. 31, 2025	Dec. 31, 2024	Contract period and repayment method
CTBC Bank Unsecured loans	\$—	\$100,000	From June 30, 2024, to June 30, 2026, interest is paid periodically, and the principal is repaid in full upon maturity.
CTBC Bank Unsecured loans	100,000	—	From June 30, 2025, to June 30, 2027, interest is paid periodically, and the principal is repaid in full upon maturity.
E.SUN Bank Unsecured loans	40,000	40,000	From August 05, 2024, to August 05, 2027, interest is paid monthly, and the principal is repaid in equal quarterly installments, with a two-year principal grace period.
Subtotal	<u>140,000</u>	<u>140,000</u>	
Less: Due within one year	—	—	
Total	<u>\$140,000</u>	<u>\$140,000</u>	
Interest rate range	2.0700%~ <u>2.2500%</u>	2.0300%~ <u>2.2418%</u>	

15. Benefits after retirement Plan

(1) Defined contribution plan

The Company has established a defined contribution pension plan for its employees in accordance with the "Labor Pension Act." According to the Act, the Company's monthly pension contribution rate should be no less than 6% of the employee's monthly salary. The Company has established an employee pension plan in accordance with the Act and contributes 6% of employee salaries each month to individual pension accounts with the Bureau of Labor Insurance.

The Company recognized expenses for defined contribution plans of \$5,184 thousand and \$5,623 thousand for the fiscal years 2025 and 2024, respectively.

(2) Defined benefit plan

The Company's employee pension plan established under the "Labor Standards Act" is a defined benefit plan. The payment of employee pensions is calculated based on a base number of years of service and the average monthly salary at the time of retirement approval. For service years of up to 15 years (inclusive), two base numbers are given for each full year, and one base number is given for each full year of service exceeding 15 years, with a maximum of 45 base numbers.

The Company contributes 2% of the total monthly salaries to the pension fund in accordance with the Labor Standards Act. The funds are deposited into a special account in the name of the Supervisory Committee of Business Entities' Labor Retirement Reserve at the Bank of Taiwan. In addition, the Company estimates the balance of the aforementioned labor pension reserve fund account before the end of each fiscal year. If the balance is insufficient to pay the estimated pension amount for employees who meet retirement conditions in the following year, the difference will be contributed in one installment before the end of March of the next year.

The Ministry of Labor allocates assets in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The fund's investments are carried out through self-management and entrusted management, adopting a combination of active and passive long-term investment strategies. Considering market, credit, and liquidity risks, the Ministry of Labor sets risk limits and control plans for the fund, ensuring sufficient flexibility to achieve target returns without assuming excessive risks. The minimum annual return on the fund's investments must not be lower than the return calculated based on the local bank's two-year fixed deposit. If there is a shortfall, it will be supplemented by the national treasury after approval by the competent authority. Since the Company has no right to participate in the operation and management of the fund, it is unable to disclose the classification of the fair value of plan assets in accordance with paragraph 142 of IAS 19. As of December 31, 2025, the Company's defined benefit plan is expected to contribute \$0 in the next fiscal year. As of December 31, 2025, and December 31, 2024, the Company's defined benefit plan is expected to mature in 10 and 11 years.

(3) Costs of defined benefit plans recognized in profit or loss:

	2025	2024
Service cost in the period	\$53	\$52
Net interest on net defined benefit liability (asset)	(66)	3
Total	(\$13)	\$55

(4) Adjustments to the present value of defined benefit obligations and the fair value of plan assets are as follows:

	Dec. 31, 2025	Dec. 31, 2024	Jan. 1, 2024
Current value of defined benefit obligations	\$22,215	\$24,204	\$25,372
Fair value of plan assets	(29,497)	(28,269)	(25,155)
Other non-current liabilities - carrying amount of net defined benefit liability	(\$7,282)	(\$4,065)	\$217

Adjustments to the net defined benefit liability (asset):

	Current value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability (assets)
Jan. 1, 2024	\$25,372	(\$25,155)	\$217
Service cost in the period	52	—	52
Interest expense (income)	320	(317)	3
Subtotal	25,744	(25,472)	272
Defined benefit liability/asset remeasurement:			
Actuarial gains (losses) arising from changes in demographic assumptions	—	—	—
Actuarial gains (losses) arising from changes in financial assumptions	(1,013)	—	(1,013)
Experience adjustments	(527)	—	(527)
Remeasurement of defined benefit assets	—	(2,324)	(2,324)
Subtotal	24,204	(27,796)	(3,592)
Payment of benefits	—	—	—
Distribution by the employer	—	(473)	(473)
Dec. 31, 2024	\$24,204	(\$28,269)	(\$4,065)
Service cost in the period	52	—	52
Interest expense (income)	392	(458)	(66)
Subtotal	24,648	(28,727)	(4,079)
Defined benefit liability/asset remeasurement:			
Actuarial gains (losses) arising from changes in demographic assumptions	—	—	—
Actuarial gains (losses) arising from changes in financial assumptions	490	—	490
Experience adjustments	(1,313)	—	(1,313)
Remeasurement of defined benefit assets	—	(1,922)	(1,922)
Subtotal	23,825	(27,796)	(6,824)
Payment of benefits	(1,610)	1,610	—
Distribution by the employer	—	(458)	(458)
Dec. 31, 2025	\$22,215	(\$29,497)	(\$7,282)

(5) The following main assumptions are used to determine the Company's defined benefit plans:

	Dec. 31, 2025	Dec. 31, 2024
Discount rate	1.39%	1.62%
Expected growth rate of salary	4.00%	4.00%

(6) Sensitivity analysis for each significant actuarial assumption:

	2025		2024	
	Increase in defined benefit obligations	Decrease in defined benefit obligations	Increase in defined benefit obligations	Decrease in defined benefit obligations
Discount rate increase by 0.5%	\$—	\$1,044	\$—	\$1,319
Discount rate decrease by 0.5%	\$1,125	\$—	\$1,422	\$—
Expected growth rate of salary increase by 0.5%	\$1,090	\$—	\$1,382	\$—
Expected growth rate of salary decrease by 0.5%	\$—	\$1,024	\$—	\$1,296

The aforementioned sensitivity analysis assumes that other assumptions remain unchanged and analyzes the potential impact on defined benefit obligations when a single actuarial assumption (e.g., discount rate or expected salary) experiences a reasonably possible change. Since some actuarial assumptions are interrelated, it is rare in practice for only a single actuarial assumption to change, so this analysis has its limitations.

The methods and assumptions used in the current period's sensitivity analysis are not different from those used in the previous period.

16. Equity

(1) Ordinary shares

A. As of December 31, 2025, and December 31, 2024, the Company's authorized share capital is \$2,700,000 thousand, with a par value of \$10 per share, divided into 270,000 thousand shares. Each share has one voting right and the right to receive dividends.

B. As of December 31, 2025, and December 31, 2024, the Company's issued share capital is \$1,100,000 thousand, with a par value of \$10 per share, divided into 110,000 thousand shares.

(2) Capital surplus

A.

Item	Dec. 31, 2025	Dec. 31, 2024
Convertible bond conversion premium	\$19,033	\$19,033
Treasury share transactions	26,164	26,164
Changes in the net value of equity interests in associates and joint ventures recognized using equity method	19,175	15,149
Total	\$64,372	\$60,346

B. According to laws and regulations, capital surplus can only be used to offset company losses and cannot be distributed as dividends. When the Company has no losses, a certain percentage of the capital surplus can be transferred to the paid-in capital as capital reserve each year. The capital surplus can also be distributed in cash to shareholders in proportion to their original shareholdings.

(3) Profit distribution and dividend policy

In accordance with the Company's Articles of Incorporation, if there is a profit in the annual settlement, it shall be distributed in the following order:

A. Payment of taxes and donations.

B. Offsetting losses.

C. Appropriating 10% as legal retained earnings.

D. Appropriating or reversing special retained earnings as required by law or as ordered by the competent authority.

E. The remaining profit will be proposed by the Board of Directors in accordance with the dividend policy and submitted to the shareholders' meeting.

The Company's dividend distribution policy is to adopt a balanced dividend policy, considering the profit situation of the Company during the year, the overall environment, relevant legal provisions, the Company's long-term development plan, and a solid financial structure. If cash dividends are distributed, they shall account for at least 10% of the total dividends for the year.

According to the Company Act, the legal reserve shall be appropriated until it reaches the total amount of the paid-in capital. The legal reserve may be used to offset losses. When the Company has no losses, new shares or cash may be issued in proportion to the original shareholders' holdings for the portion of the legal reserve that exceeds 25% of the paid-in capital.

When distributing distributable earnings, the Company shall, in accordance with legal provisions, appropriate special retained earnings for the balance of special retained earnings and the net amount of other equity deductions upon the first adoption of IFRS. Subsequently, when the net amount of other equity deductions is reversed, the special retained earnings may be reversed and distributed as earnings.

Following the adoption of TIFRS, the FSC on 31 March 2021 issued Order No. FinancialSupervisory-Securities-Corporate-1090150022, the Company has set up a special surplus reserve to provide for unrealized revaluation increments and cumulative translation adjustments (gains) accounted for on the date of transition to the International Financial Reporting Standards under the exemption item of IFRS 1 "First-time Adoption of International Financial Reporting Standards". The Company may reverse the proportion of the special surplus reserve and distribute profits when using, disposing of, or reclassifying related assets in the future.

As of January 1, 2025 and 2024, the special retained earnings allocated upon the first adoption of IFRS amounted to \$72,974 thousand for both years. In addition, the Company did not use, dispose of, or reclassify any related assets from January 1 to December 31, 2025, and 2024, so the special retained earnings allocated upon the first adoption of IFRS as of December 31, 2025, and December 31, 2024, both amounted to \$72,974 thousand. At the shareholders' meetings on June 19, 2025, and June 19, 2024, the Company resolved the profit allocation and distribution plan for the 2024 and 2023 fiscal years and the dividends per share, as follows:

	Allocation and Distribution of Earnings		Dividends per Share (NTD)	
	2024	2023	2024	2023
Legal reserve	\$9,281	\$12,768	—	—
Special reserve appropriated (reversal)	(\$73,262)	\$33,443	—	—
Cash dividends of ordinary share	\$89,100	\$113,300	\$0.81	\$1.03

For information on the estimation and recognition of employee compensation and director compensation, please refer to Note VI.20.

17. Operating revenue

	2025	2024
Revenue from customer contracts		
Revenue from sales of goods	\$969,179	\$1,037,968
Other operating income	23,303	28,459
Total	\$992,482	\$1,066,427

The information related to revenue from customer contracts for the years 2025 and 2024 of the Company is presented as follows:

Revenue breakdown

	2025			2024		
	Other		Total	Other		Total
	Fan division	divisions		Fan division	divisions	
Sales of goods	\$682,886	\$309,596	\$992,482	\$717,249	\$349,178	\$1,066,427

Timing of revenue recognition:

At a point in time	\$682,886	\$309,596	\$992,482	\$717,249	\$349,178	\$1,066,427
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18. Expected credit impairment losses

	2025	2024
Operating expense- Expected credit impairment (gain) loss		
Accounts receivable	(\$2,008)	(\$4,636)

For information related to credit risk, please refer to Note XII.

The Company measures its accounts receivable (including notes and accounts receivable) for impairment losses based on the expected credit losses during the remaining period of its existence. The relevant explanation for the assessment of the impairment loss amount as of December 31, 2025 and 2024 is as follows:

(1) Historical credit loss experience of receivables shows no significant differences in loss patterns among different customer groups. Therefore, the allowance for losses is measured using a provision matrix without distinguishing between groups. The relevant information is as follows:

Dec. 31, 2025

	Not overdue (note)	Days past due				Total
		Within 30 days	31-60 days	61-90 days	Over 91 days	
Total carrying amount	\$229,940	\$10,547	\$1,792	\$—	\$435	\$242,714
Loss rate	0.1%	5%	20%	50%	100%	
Lifetime expected credit losses	114	527	358	—	435	1,434
Total	\$229,826	\$10,020	\$1,434	\$—	\$—	\$241,280

Dec. 31, 2024

	Not overdue (note)	Days past due				Total
		Within 30 days	31-60 days	61-90 days	Over 91 days	
Total carrying amount	\$242,343	\$9,274	\$648	\$719	\$2,402	\$255,386
Loss rate	0.1%	5%	20%	50%	100%	
Lifetime expected credit losses	88	464	129	359	2,402	3,442
Total	\$242,255	\$8,810	\$519	\$360	\$—	\$251,944

Note: All notes receivable of the Company are not overdue.

(2) The changes in the allowance for losses on accounts receivable of the Company for 2025 and 2024 are as follows:

	Accounts receivable
Jan. 1, 2024	\$8,078
Increase in the current period	(4,636)
Dec. 31, 2024	\$3,442
(Reversal) in the current period	(2,008)
Dec. 31, 2025	\$1,434

19. Lease

(1) The Company as a lessee

The Company leases various assets, including real estate (houses and buildings) and transportation equipment. The lease terms of each contract range from 2 to 3 years.

The impact of leases on the Company's financial position, financial performance, and cash flows is described as follows:

A. Amounts recognized on the balance sheet

(a) Right-of-use assets

Right-of-use assets carrying amount

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Building and construction	\$101	\$505
Transportation equipment	3,685	4,012
Total	<u>\$3,786</u>	<u>\$4,517</u>

In 2025 and 2024, the Company added \$2,023 thousand and \$4,891 thousand, respectively, to the right-of-use assets.

(b) Lease liabilities

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Lease liabilities	<u>\$3,823</u>	<u>\$4,547</u>
Current	\$2,197	\$2,453
Non-current	\$1,626	\$2,094

For the interest expense on lease liabilities of the Company in 2025 and 2024, please refer to Note VI.21(4) Finance Costs; for the maturity analysis of lease liabilities as of December 31, 2025, and 2024, please refer to Note XII.5 Liquidity Risk Management.

B. Amounts recognized in the parent company only statement of comprehensive income

Depreciation expense of right-of-use assets

	<u>2025</u>	<u>2024</u>
Building and construction	\$404	\$394
Transportation equipment	2,350	1,696
Total	<u>\$2,754</u>	<u>\$2,090</u>

C. Income and expenses related to lessee and lease activities

	<u>2025</u>	<u>2024</u>
Low-value asset lease expenses (excluding short-term low-value asset lease expenses)	<u>\$794</u>	<u>\$1,146</u>

As of December 31, 2025, the short-term lease commitments of the Company do not have a similar category of leased assets related to the aforementioned short-term lease expenses.

D. Cash outflows related to lessee and lease activities

The total cash outflows for leases of the Company in 2025 and 2024 were \$2,819 thousand and \$2,144 thousand, respectively.

(2) The Company as a lessor

For the disclosure related to property, plant, and equipment leased under operating leases, the Company applies IAS 16. Please refer to Note VI.9. The Company entered into operating lease contracts, and the total undiscounted lease payments to be collected and the remaining years as of December 31, 2025, and 2024 are as follows:

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Not exceeding one year	\$—	\$352
Exceeding 1 year but not exceeding 5 years	—	—
Total	<u>\$—</u>	<u>\$352</u>

20. Summary of employee benefits, depreciation and amortization expense by function

Function Nature	2025			2024		
	Operating Costs	Operating expenses	Total	Operating Costs	Operating expenses	Total
Employee benefits						
Salary expenses	\$—	\$97,818	\$97,818	\$—	\$101,232	\$101,232
Labor and Health Insurance Costs	\$—	\$11,376	\$11,376	\$—	\$11,382	\$11,382
Pension Costs	\$—	\$5,171	\$5,171	\$—	\$5,679	\$5,679
Compensation for directors	\$—	\$13,027	\$13,027	\$—	\$13,384	\$13,384
Other employee benefits	\$—	\$4,058	\$4,058	\$—	\$4,158	\$4,158
Depreciation expense	\$—	\$10,259	\$10,259	\$—	\$8,698	\$8,698
Amortization expense	\$—	\$3,110	\$3,110	\$—	\$4,454	\$4,454

The number of employees in the current and previous years were 151 and 156, respectively, with 8 directors not serving as employees in both years.

Companies with stocks listed on stock exchanges or traded on over-the-counter trading centers should disclose the following information:

(1) The average employee benefit expense this year was \$828 thousand ("Total Employee Benefit Expenses for the Year - Total Director Remuneration" / "Number of Employees for the Year - Number of Directors Not Serving as Employees").

The average employee benefit expense for the previous year was \$827 thousand ("Total Employee Benefit Expenses for the Previous Year - Total Director Remuneration" / "Number of Employees for the Previous Year - Number of Directors Not Serving as Employees").

(2) The average employee salary expense this year was \$684 thousand (Total Salary Expenses for the Year / "Number of Employees for the Year - Number of Directors Not Serving as Employees"). The average employee salary expense for the previous year was \$684 thousand (Total Salary Expenses for the Previous Year / "Number of Employees for the Previous Year - Number of Directors Not Serving as Employees").

(3) The average employee salary expense adjustment change was (0%) ("Average Employee Salary Expense for the Year - Average Employee Salary Expense for the Previous Year" / Average Employee Salary Expense for the Previous Year).

- (4) The Company has established an audit committee in accordance with regulations, replacing supervisors. Therefore, the remuneration of supervisors for 2025 and 2024 was \$0.
- (5) The Company's remuneration policy is based on labor regulations, external market levels, internal fairness, and company performance. The management level follows the execution of the policy. In addition, the remuneration of directors, excluding the fixed remuneration paid monthly to independent directors approved by the board of directors, is determined according to the Company's articles of incorporation. If the Company has profits for the year, it should allocate not less than 5% for employee remuneration and not more than 5% for director remuneration.

According to the provisions of the Company's Articles of Incorporation, if there is a profit for the year, no less than 5% should be allocated as employee compensation, Of this, no less than 20% should be allocated as compensation to entry-level employees, and no more than 5% should be allocated as director compensation. However, if there is an accumulated loss, an amount should be reserved in advance to make up for it. The aforementioned employee compensation shall be in the form of stocks or cash, and the resolution shall be voted with at least two-thirds of the directors attending and passed by a majority of the attending directors, and reported to the shareholders' meeting.

For information on the employee compensation and director compensation passed by the board of directors, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.

In 2025, the Company estimated employee compensation at 9% and director compensation at 5% based on the profitability of that year, with employee compensation and director compensation in 2025 totaling \$8,698 thousand and \$4,832 thousand, respectively. In 2024, the Company estimated employee compensation at 9% and director compensation at 5% based on the profitability of that year, with employee compensation and director compensation in 2024 totaling \$9,796 thousand and \$5,442 thousand, respectively. The aforementioned amounts are recorded under salary expenses.

On March 12, 2025, the Company's board of directors resolved to pay the 2024 employee compensation and director compensation in cash, totaling \$9,796 thousand and \$5,442 thousand, which had no significant difference from the amount recorded as an expense in the 2024 financial statements.

21. Non-operating income and expenses

(1) Interest income

	2025	2024
Interest income	\$2,740	\$8,149

(2) Other income

	2025	2024
Rent income	\$653	\$769
Dividend income	3,680	1,125
Other income-others	10,114	13,820
Total	\$14,447	\$15,714

(3) Other gains and losses

	2025	2024
Losses on disposals of property, plant and equipment	(\$19)	\$—
Net foreign exchange benefits(losses)	34,236	(55,452)
Other expenses	(6,117)	(4,976)
Total	<u>\$28,100</u>	<u>(\$60,428)</u>

(4) Finance costs

	2025	2024
Interests from bank loans	(\$17,531)	(\$16,534)
Interest on Lease liabilities	(72)	(63)
Total	<u>(\$17,603)</u>	<u>(\$16,597)</u>

(5) Share of profit (loss) of subsidiaries and associates accounted for using equity method

	2025	2024
Share of profit (loss) of subsidiaries and associates accounted for using equity method	<u>\$2,436</u>	<u>\$77,737</u>

22. Components of other comprehensive income

The components of other comprehensive income in 2025 are as follows:

	Current period generated	Current period reclassification adjustment	Other comprehensive income	Income tax expense	Post-tax amount
Components of other comprehensive income that will not be reclassified to profit or loss:					
Remeasurements of defined benefit plan	\$2,745	\$—	\$2,745	\$—	\$2,745
Unrealised gains (losses) from investments in equity instruments measured at FVTOCI	301	—	301	—	301
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translation	(17,993)	—	(17,993)	3,599	(14,394)
Total other comprehensive income for the period	<u>(\$14,947)</u>	<u>\$—</u>	<u>(\$14,947)</u>	<u>\$3,599</u>	<u>(\$11,348)</u>

The components of other comprehensive income in 2024 are as follows:

	Current period generated	Current period reclassification adjustment	Other comprehensive income	Income tax expense	Post-tax amount
Components of other comprehensive income that will not be reclassified to profit or loss:					
Remeasurements of defined benefit plan	\$3,865	\$—	\$3,865	\$—	\$3,865
Unrealised gains (losses) from investments in equity instruments measured at FVTOCI	(1,610)	—	(1,610)	—	(1,610)
Components of other comprehensive income					

that will be reclassified to profit or loss:

Exchange differences on translation	93,590	—	93,590	(18,718)	74,872
Total other comprehensive income for the period	\$95,845	\$—	\$95,845	(\$18,718)	\$77,127

23. Income tax

(1) The main components of income tax expenses for 2025 and 2024 are as follows:

Income tax recognized in profit or losses

	<u>2025</u>	<u>2024</u>
Current income tax expense:		
Current income tax payable	\$9,212	\$14,100
Adjustment of current income tax for prior years in the current period	(1,498)	(4,500)
Deferred income tax expense (benefits)		
Deferred income tax expense (benefits) related to the origination and reversal of temporary differences	12,637	(4,936)
Income tax expense	<u>\$20,351</u>	<u>\$4,664</u>

Income tax recognized in other comprehensive income

	<u>2025</u>	<u>2024</u>
Deferred income tax expenses (benefits):		
Exchange differences on translation	<u>(\$3,599)</u>	<u>\$18,718</u>

(2) Adjustments to the amount of income tax expense multiplied by the applicable income tax rate on accounting profit are as follows:

	<u>2025</u>	<u>2024</u>
Pretax net profit from continuing operations	<u>\$83,111</u>	<u>\$93,609</u>
Tax amount calculated based on domestic tax rates applicable to income in the relevant countries	\$16,622	\$18,722
Income tax effect of deferred tax assets/liabilities	(294)	(14,757)
Income tax effect of non-deductible expenses on tax return	334	5,199
Surcharge on undistributed earnings for business income tax	3,385	—
CFC Investment Returns	1,802	—
Adjustment of current income tax for prior years in the current period	(1,498)	(4,500)
Total income tax expense recognized in profit or loss	<u>\$20,351</u>	<u>\$4,664</u>

(3) The balances of deferred tax assets (liabilities) related to the following items:
2025

	Beginning balance	Recognized in profit or losses	Recognized in other comprehensive income	Ending balance
Temporary differences				
Foreign exchange gains	(\$1,341)	\$410	\$—	(\$931)
Foreign exchange losses	15,937	(12,250)	—	3,687
Unrealized parent-subsidiary upstream transactions	1,739	(602)	—	1,137
Pension costs exceeding limit	1,935	(147)	—	1,788
Bad debt expenses	177	(177)	—	—
Inventory valuation	163	(140)	—	23
Customer complaint compensation	1,840	260	—	2,100
Impairment losses	2,590	—	—	2,590
Adjustments of translation	12,627	—	3,599	16,226
Unrealized removal of vacation bonuses	1,525	9	—	1,534
Deferred income tax expenses/(benefit)		<u>(\$12,637)</u>	<u>\$3,599</u>	
Net amount of deferred tax assets/(liabilities)	<u>\$37,192</u>			<u>\$28,154</u>
Information presented in the balance sheet:				
Deferred tax assets	<u>\$38,534</u>			<u>\$29,085</u>
Deferred tax liabilities	<u>(\$1,342)</u>			<u>(\$931)</u>

2024

	Beginning balance	Recognized in profit or losses	Recognized in other comprehensive income	Ending balance
Temporary differences				
Foreign exchange gains	(\$1,529)	\$188	\$—	(\$1,341)
Foreign exchange losses	8,940	6,997	—	15,937
Unrealized parent-subsidiary upstream transactions	2,425	(686)	—	1,739
Pension costs exceeding limit	2,018	(83)	—	1,935
Bad debt expenses	1,256	(1,079)	—	177
Inventory valuation	192	(29)	—	163
Customer complaint compensation	2,354	(514)	—	1,840
Impairment losses	2,601	(11)	—	2,590
Adjustments of translation	31,345	—	(18,718)	12,627
Unrealized removal of vacation bonuses	1,373	152	—	1,525
Deferred income tax expenses/(benefit)		<u>\$4,935</u>	<u>(\$18,718)</u>	
Net amount of deferred tax assets/(liabilities)	<u>\$50,975</u>			<u>\$37,192</u>
Information presented in the balance sheet:				
Deferred tax assets	<u>\$52,505</u>			<u>\$38,534</u>
Deferred tax liabilities	<u>(\$1,530)</u>			<u>(\$1,342)</u>

- (4) The Company's income tax settlement and reporting cases for the fiscal year 2022 (inclusive) and earlier have been approved by the tax collection authority.

23. Earnings per share

The calculation of the basic earnings per share amount is based on the net profit attributable to the Company's ordinary shareholders for the current period divided by the weighted average number of ordinary shares outstanding during the period.

	2025	2024
(1) Basic earnings per share		
Net profit attributable to the Company's ordinary shareholders (in thousands)	\$62,760	\$88,945
Weighted average number of ordinary shares for basic earnings per share (in thousands)	110,000	110,000
Basic earnings per share (in dollars)	\$0.57	\$0.81
(2) Diluted earnings per share		
Net profit attributable to the Company's ordinary shareholders from continuing operations (in thousands)	\$62,760	\$88,945
Adjusted net profit attributable to the Company's ordinary shareholders from continuing operations after dilution effect (in thousands)	\$110,000	\$110,000
Weighted average number of ordinary shares adjusted for dilution effect (in thousands)	110,000	110,000
Diluted earnings per share (in dollars)	\$0.57	\$0.81

There have been no significant transactions affecting the number of outstanding ordinary shares or potential ordinary shares between the end of the reporting period and the approval of the financial statements for publication.

VII. Transaction with related parties

Related parties that had transactions with the Company during the financial reporting period are as follows:

Name of related party and its Relationships

Name of related party	Relationship with the Company
PANAMA ADDA CORP. (PANAMA ADDA)	The Company's subsidiaries
GOLD STRONG ENTERPRISES LIMITED (GOLD STRONG)	The Company's subsidiaries
MOBIEN CORPORATION (MOBIEN)	The Company's subsidiaries
Melco Technorex Co.,Ltd. (MTR)	The Company's subsidiaries
AX Fan(Vietnam)Technology Co.,Ltd. (AX Fan(Vietnam))	The Company's subsidiaries
GAO JING ELECTRICAL (SHEN ZHEN) CO., LTD (GAO JING ELECTRICAL)	Invested companies evaluated by the equity method by subsidiaries
ADDA ELECTRIC MACHINERY TECHNOLOGY(KUN SHAN)CO.,LTD (ADDA KUN SHAN)	Invested companies evaluated by the equity method by subsidiaries
KUNSHAN ADD GREEN MICRO-ELECTRIC	Invested companies evaluated by the

CO.,LTD (KUNSHAN ADD GREEN)	equity method by subsidiaries
ADDA USA, INC. (ADDA USA)	Invested companies evaluated by the equity method by subsidiaries
ADDA EUROPE GMBH (ADDA EUROPE)	Invested companies evaluated by the equity method by subsidiaries
WARBURG BRANCH TRADE (SHENZHEN) CO., LTD. (WARBURG)	Invested companies evaluated by the equity method by subsidiaries
ZENG DA ELECTRICAL (HUI ZHOU) CO.LTD (ZENG DA ELECTRICAL)	Invested companies evaluated by the equity method by subsidiaries
XINRUILIAN SCIENCE & TECHNOLOGY CO., LTD (XINRUILIAN SCIENCE & TECHNOLOGY)	Invested companies evaluated by the equity method by subsidiaries
KING XIN CO., LTD.	The chairman of the company is the same person as the chairman of the Group
Directors and supervisors above deputy general manager	Main executives of the Company

Significant transactions with related parties

(1) Sales

	2025	2024
ADDA USA	\$309,352	\$386,785
ADDA EUROPE	178,304	209,837
Other subsidiaries	35,170	35,934
Total	<u>\$522,826</u>	<u>\$632,556</u>

The Company's sales prices to related parties are negotiated based on market prices by both parties; payment terms for foreign customers are approximately 30 to 150 days after the end of the month. For non-related parties, payment terms for domestic and foreign customers are 15 to 120 days after the end of the month. The Company does not require any guarantees for receivables from related parties.

(2) Purchases

	2025	2024
ZENG DA ELECTRICAL	\$252,690	\$252,690
ADDA KUN SHAN	245,746	245,746
AX Fan (Vietnam)	34,509	34,509
Total	<u>\$509,927</u>	<u>\$532,945</u>

The Company's purchase prices from related parties are negotiated based on market prices by both parties; the payment terms for the Company's purchases from related parties are comparable to those of general suppliers, with payment periods of 30 to 150 days after the end of the month.

(3) Accounts receivable-related parties

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
ADDA USA	\$76,208	\$54,524
ADDA EUROPE	30,813	92,472
Other subsidiaries	737	323
Net amount	<u>\$107,758</u>	<u>\$147,319</u>

The credit terms for the above-mentioned related party receivables are payment within 60 to 120 days after the end of the month of sales, which is comparable to general customers.

(4) Other receivables-related parties

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
ADDA USA	\$414	\$800
XINRUILIAN SCIENCE & TECHNOLOGY	140	—
ADDA EUROPE	12	30
AX Fan (Vietnam)	6	63
MOBIEN CORPORATION	1	—
Total	<u>\$573</u>	<u>\$893</u>

(5) Accounts payable-Related parties

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
ADDA KUN SHAN	\$826,323	\$923,251
ZENG DA ELECTRICAL	340,262	328,908
GAO JING ELECTRICAL	99,483	122,316
Other subsidiaries	32,870	7,166
Total	<u>\$1,298,937</u>	<u>\$1,381,641</u>

The credit terms for the above-mentioned related party payables are payment within 120 days after the end of the month of purchases, which is comparable to general suppliers.

(6) Other payables-Related parties

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
ADDA KUN SHAN	\$801	\$1,261
ZENG DA ELECTRICAL	81	59
Total	<u>\$882</u>	<u>\$1,320</u>

(7) Funding transactions

The Company's funding transactions with subsidiaries are as follows:

	<u>2025</u>				
	<u>Highest amount</u>	<u>Ending balance</u>	<u>Interest rate range</u>	<u>Total interest expense</u>	<u>Ending payable interest</u>
<u>Long-term receivables from associates (related to business transactions, recorded under other non-current assets)</u>					
ZENG DA ELECTRICAL	\$5,000	\$—	—	\$—	\$—

Long-term receivables from associates (related to financial transactions, recorded under other non-current assets)

PANAMA ADDA	\$5,000	\$—	—	\$—	\$—
GOLD STRONG	5,000	—	—	—	—
AX Fan (Vietnam)	109,619	—	5.49%	385	—
Subtotal	\$119,619	\$—	—	\$385	\$—
Total	\$124,619	\$—	—	\$385	\$—

2024

	Highest amount	Ending balance	Interest rate range	Total interest expense	Ending payable interest
<u>Long-term receivables from associates (related to business transactions, recorded under other non-current assets)</u>					
ZENG DA ELECTRICAL	\$10,000	\$—	—	\$—	\$—

Long-term receivables from associates (related to financial transactions, recorded under other non-current assets)

PANAMA ADDA	\$5,000	\$—	—	\$—	\$—
GOLD STRONG	5,000	—	—	—	—
AX Fan (Vietnam)	97,626	43,927	5.49%	2,979	2,030
Subtotal	\$107,626	\$43,927	—	\$2,979	\$2,030
Total	\$117,626	\$43,927	—	\$2,979	\$2,030

(8) Endorsement & guarantee

	Dec. 31, 2025	Dec. 31, 2024
AX Fan (Vietnam)	\$157,190	\$163,905

(9) Compensation for the Company's key management personnel

	2025	2024
Short-term employee benefits	\$21,606	\$21,770
Benefits after retirement	453	452
Total	\$22,059	\$22,222

For detailed information on remuneration paid to key management personnel, please refer to the content of the shareholders' meeting annual report.

(10) Other transactions with significant impact on the current profit or loss or financial position:

- A. In 2025 and 2024, the Company received \$360 thousand from the related party MOBIEN for receiving income from manpower support and rent, etc.
- B. In 2025 and 2024, the Company received \$239 thousand and \$0 thousand from the related party KING XIN for receiving income from manpower support and rent, etc.
- C. In 2025 and 2024, the Company received \$937 thousand and \$0 thousand from the related party XINRUILIAN SCIENCE & TECHNOLOGY for receiving income from

manpower support and rent, etc.

VIII. Pledged assets

None.

IX. Significant contingent liabilities and unrecognized contractual commitments

As of December 31, 2025, the following contingent liabilities and commitments were not included in the above financial statements:

(1) Details of unused letters of credit are as follows:

USD (thousand)	<u>Total amount of letters of credit</u>
	<u>\$144</u>

(2) The Company issued guarantee notes of \$1,455,752 thousand for applying credit lines from banks.

X. Significant disaster loss

None.

XI. Significant subsequent events

None.

XII. Others

1. Types of financial instruments

Financial assets

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Financial assets at fair value through profit or loss		
Designated at FVTPL	\$7,831	\$–
Financial assets measured at FVTOCI	2,774	3,058
Financial assets measured at amortized cost		
Cash and cash equivalents (excluding cash on hand)	295,589	399,402
Notes receivable	2,729	1,829
Accounts receivable (related parties)	238,551	250,115
Other receivables (related parties)	1,749	3,169
Refundable deposits (accounting for other non-current assets)	5,257	8,346
Total	<u>\$554,480</u>	<u>\$665,919</u>

Financial liability

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Measured at amortized cost -Financial liability:		
Short-term loans	\$757,748	\$770,102
Payables	1,475,888	1,546,733
Lease liabilities	3,823	4,547
Long-term loans (including those due within one year)	140,000	140,000
Total	<u>\$2,377,459</u>	<u>\$2,461,382</u>

2. Financial Risk Management Objectives and Policies

The Company's financial risk management objective is to manage market risk, credit risk and liquidity risk associated with operating activities. The Company identifies, measures and manages the aforementioned risks in accordance with the Company's policies and risk appetite.

The Company has established appropriate policies, procedures and internal controls for the aforementioned financial risk management in accordance with relevant regulations, and significant financial activities are subject to review by the board of directors in accordance with relevant regulations and internal control systems. During the implementation of financial management activities, the Company must ensure compliance with the relevant regulations established for financial risk management.

3. Market Risk

The market risk of the Company refers to the risk of financial instruments fluctuating in fair value or cash flows due to changes in market prices. Market risk mainly includes exchange rate risks, interest rate risk and other price risks.

In practice, it is rare for a single risk variable to change independently, and the changes in each risk variable are usually correlated. However, the sensitivity analysis of the following risks does not consider the interaction effects of related risk variables.

(1) Exchange rate risk

The Company's exchange rate risk is mainly related to operating activities (when the currency used for income or expenses is different from the Company's functional currency) and the net investment in foreign operations.

The Company's receivables and payables in foreign currencies are partly in the same currency, which generates a natural hedging effect for the equivalent positions. For some foreign currency items, the Company uses forward foreign exchange contracts to manage exchange rate risk. Since the aforementioned natural hedging and the use of forward foreign exchange contracts do not comply with hedge accounting regulations, hedge accounting is not adopted. Furthermore, the net investment in foreign operations is considered a strategic investment, and the Company does not hedge against it.

The sensitivity analysis of the Company's exchange rate risk mainly targets the significant monetary items in foreign currencies as of the end of the financial reporting period, and the impact of a 1% appreciation/depreciation in the relevant foreign

currency on the Company's profit and equity. The Company's exchange rate risk is mainly affected by fluctuations in the USD and EUR exchange rates. The sensitivity analysis information for the Company is as follows:

A. When the New Taiwan Dollar (NTD) appreciates/depreciates by 1% against the US Dollar (USD), the Company's profit for 2025 and 2024 would decrease/increase by \$8,945 thousand and \$8,477 thousand, respectively.

B. When the New Taiwan Dollar (NTD) appreciates/depreciates by 1% against the EUR, the Company's profit for 2025 and 2024 would decrease/increase by \$83 thousand and \$333 thousand, respectively.

(2) Interest Rate Risk

Interest rate risk is the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates. The Company's interest rate risk mainly comes from fixed-rate borrowings and floating-rate borrowings.

The Company maintains an appropriate combination of fixed and floating interest rates and uses interest rate swap contracts to manage interest rate risk. However, as these measures do not comply with hedge accounting regulations, hedge accounting is not applied.

The sensitivity analysis for interest rate risk mainly targets the interest rate exposure items as of the end of the financial reporting period, including floating-rate investments and floating-rate borrowings. Assuming a holding period of one accounting year, when interest rates increase/decrease by ten basis points, the Company's profit for 2025 and 2024 would decrease/increase by \$898 thousand and \$911 thousand, respectively.

(3) Equity price risk

The fair value of the equity securities held by the Company, both listed and unlisted, and the conversion rights in the issued overseas convertible corporate bonds may be affected by the uncertainty of the future value of such investment targets. The listed and unlisted equity securities held by the Company are included in the categories of financial instruments measured at fair value through profit or loss and financial instruments measured at fair value through other comprehensive income, respectively. The conversion rights in the issued overseas convertible corporate bonds do not meet the definition of equity elements and are considered financial liabilities measured at fair value through profit or loss. The Company manages the price risk of equity securities by diversifying investments and setting limits for individual and overall equity security investments. The investment portfolio information of equity securities must be provided regularly to the senior management of the Company, and the board of directors must review and approve all equity security investment decisions.

4. Credit Risk Management

Credit risk refers to the risk of financial loss resulting from a counterparty's inability to fulfill the obligations specified in a contract. The credit risk of the Company is mainly due to its business activities, which primarily involve accounts and notes receivable, as well as its financial activities, which primarily involve bank deposits and various financial

instruments.

Each unit of the Company follows the policies, procedures, and controls related to credit risk to manage credit risk. The credit risk assessment of all counterparties is based on various factors, including their financial condition, credit ratings from rating agencies, past transaction experiences, current economic conditions, and the Company's internal rating standards. The Company also uses certain credit enhancement tools (such as advance payments and insurance, etc.) at appropriate times to reduce credit risks associated with specific counterparties.

As of December 31, 2025, and December 31, 2024, the accounts receivable of the top ten customers accounted for 71.71% and 73.43% of the total accounts receivable of the Company, respectively, and the credit concentration risk of the remaining accounts receivable is relatively insignificant.

The Company's finance department manages the credit risk of bank deposits and other financial instruments in accordance with the Company's policies. Since the Company's trading partners are determined through internal control procedures and are reputable banks and financial institutions with good credit, there is no significant credit risk.

In addition, the Company offsets financial assets when it determines that it cannot reasonably expect to recover them, such as when the issuer or debtor faces significant financial difficulties or has declared bankruptcy.

5. Liquidity risk Management

The Company maintains financial flexibility through contracts such as cash and cash equivalents, bank loans and leases. The following table summarizes the payment maturity of the financial liabilities of the Company's contracts, compiled based on the earliest possible repayment date and using undiscounted cash flows, including the agreed interest. The undiscounted interest amount paid on the cash flows for variable interest rate payments is derived from the yield curve at the end of the reporting period.

Non-derivative financial liability

	Less than 1 year	2-3 years	4-5 years	More than 5 years	Total
Dec. 31, 2025					
Loans	\$765,485	\$141,608	\$—	\$—	\$907,093
Payables	1,475,888	—	—	—	1,475,888
Lease liabilities	2,197	1,626	—	—	3,823
Dec. 31, 2024					
Loans	\$776,981	\$141,595	\$—	\$—	\$918,576
Payables	1,546,733	—	—	—	1,546,733
Lease liabilities	2,453	1,580	514	—	4,547

6. Adjustments to liabilities arising from financing activities:

Adjustment information for liabilities in 2024:

	Short-term loans	Long-term loans	Lease liabilities	Guarantee deposits	Total liabilities arising from financing activities
Jan. 1, 2025	\$770,102	\$140,000	\$4,547	\$64	\$914,713
Cash flow	(12,354)	—	(2,819)	—	(15,173)
Non-cash changes	—	—	2,095	—	2,095
Dec. 31, 2025	\$757,748	\$140,000	\$3,823	\$64	\$901,635

Adjustment information for liabilities in 2023:

	Short-term loans	Long-term loans	Lease liabilities	Guarantee deposits	Total liabilities arising from financing activities
Jan. 1, 2024	\$735,224	\$100,000	\$1,726	\$116	\$837,066
Cash flow	34,878	40,000	(2,144)	(52)	72,682
Non-cash changes	—	—	4,965	—	4,965
Dec. 31, 2024	\$770,102	\$140,000	\$4,547	\$64	\$914,713

7. Fair value of financial instruments

(1) Valuation techniques and assumptions used for fair value

Fair value refers to the price that can be received for selling an asset or the price that needs to be paid for transferring a liability in orderly transactions between market participants at the measurement date. The methods and assumptions used by the Company to measure or disclose the fair value of financial assets and financial liabilities are as follows:

- A. The carrying amounts of cash and cash equivalents, receivables, payables, and other current liabilities are reasonable approximations of fair value, mainly due to the short maturity of these instruments.
- B. For financial assets and financial liabilities actively traded in the market with standard terms and conditions, their fair value is determined by reference to market quotations (for example, listed stocks, beneficiary certificates, bonds, and futures, etc.).
- C. For equity instruments without active market trading (such as privately placed stocks listed on stock exchanges, publicly traded stocks of companies without active market trading, and unlisted company stocks), fair value is estimated using the market approach, based on the prices and other relevant information (such as lack of liquidity discounts, input values such as similar company price-to-earnings ratios and price-to-book ratios).
- D. For debt instrument investments, bank borrowings, corporate bonds payable, and other non-current liabilities without active market quotes, the fair value is determined using counterparty quotes or valuation techniques. Valuation techniques are based on discounted cash flow analysis, with assumptions such as interest rates

and discount rates primarily referring to information related to similar instruments (e.g., the reference yield curve of the Taipei Exchange, the average quote of Reuters commercial paper interest rates, and credit risk information).

E. For derivative financial instruments without active market quotes, the fair value of non-option derivative financial instruments is calculated using counterparty quotes or the applicable yield curve during the term, based on discounted cash flow analysis. For option derivative financial instruments, the fair value is calculated using counterparty quotes, appropriate option pricing models (such as the Black-Scholes model), or other valuation methods (e.g., Monte Carlo Simulation).

(2) Fair value of financial instruments measured at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortized cost by the Company is close to their fair value.

(3) Fair value hierarchy information of financial instruments

Please refer to Note XII.8 for the fair value hierarchy information of the Company's financial instruments.

8. Fair value hierarchy

(1) Definition of fair value hierarchy

All assets and liabilities measured or disclosed at fair value are classified into the fair value hierarchy based on the lowest level of input that is significant to the overall fair value measurement. The levels of input are 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.

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

Level 3: Unobservable inputs for the assets or liabilities.

For assets and liabilities recognized on a recurring basis in the financial statements, their classification is reassessed at the end of each reporting period to determine whether any transfers have occurred between the levels of fair value hierarchy.

(2) Fair value hierarchy information

The Company did not have any non-recurring assets measured at fair value. The fair value hierarchy information for recurring assets is presented as follows:

Dec. 31, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
STOCK	\$—	\$7,831	\$—	\$7,831
Measured at FVTOCI				
Equity instruments measured at FVTOCI	\$—	\$—	\$2,774	\$2,774

Dec. 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value:				
Measured at FVTOCI				
Equity instruments measured at FVTOCI	\$—	\$—	\$3,058	\$3,058

Transfer between Level 1 and Level 2 of the fair value hierarchy

In 2025 and 2024, there were no transfers between Level 1 and Level 2 of the fair value hierarchy for the Company's assets and liabilities measured at fair value on a recurring basis.

Details of changes in Level 3 of the fair value hierarchy on a recurring basis

Adjustments to the balances of assets and liabilities measured at fair value on a recurring basis belonging to Level 3 of the fair value hierarchy from the beginning to the end of the period are presented as follows:

	<u>Assets</u> <u>Measured at fair value</u> <u>through other</u> <u>comprehensive income</u>
	<u>Stocks</u>
Jan. 1, 2025	\$3,058
Total Recognized Interests in 2025	
Recognized in other comprehensive income and presented in "Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income".	301
Disposals during the year	(585)
Dec. 31, 2025	<u>\$2,774</u>
Jan. 1, 2024	\$3,058
Transfer in (out) of Level 3	—
Dec. 31, 2024	<u>\$3,058</u>

Significant unobservable inputs for Level 3 fair value

The following table shows the significant unobservable inputs used in measuring the fair value of the Company's recurring Level 3 fair value measurements of assets:

Dec. 31, 2025:

	<u>Valuation</u> <u>technique</u>	<u>Significant</u> <u>unobservable</u> <u>inputs</u>	<u>Quantitative</u> <u>information</u>	<u>Relationship between</u> <u>input value and fair</u> <u>value</u>	<u>Sensitivity analysis of the</u> <u>relationship between input</u> <u>value and fair value</u>
Financial assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks	Market approach	Price-to-Net Asset Value ratio of comparable companies	13.22	The higher the Price-to-Net Asset Value ratio of comparable companies, the higher the estimated fair value	If the Price-to-Net Asset Value ratio of comparable companies increases (decreases) by 10%, the Company's equity will increase/decrease by \$277 thousand

Dec. 31, 2024:

	Valuation technique	Significant unobservable inputs	Quantitative information	Relationship between input value and fair value	Sensitivity analysis of the relationship between input value and fair value
Financial assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks	Market approach	Price-to-Net Asset Value ratio of comparable companies	13.22	The higher the Price-to-Net Asset Value ratio of comparable companies, the higher the estimated fair value	If the Price-to-Net Asset Value ratio of comparable companies increases (decreases) by 10%, the Company's equity will increase/decrease by \$306 thousand

9. Significant foreign currency financial assets and liabilities information

The Company's significant foreign currency financial assets and liabilities information are as follows:

	Dec. 31, 2025		
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$10,810	31.4380	\$339,845
EUR	\$3,604	36.8988	\$132,983
HKD	\$1,483	4.0390	\$5,990
RMB	\$171	4.4982	\$769
JPY	\$5,224	0.2008	\$1,049
VND	\$10,000	0.00120	\$12
Investment accounted for using equity method:			
RMB	\$309,618	4.4982	\$1,392,722
JPY	\$443,845	0.2008	\$89,124
VND	\$139,105,833	0.00120	\$166,927
<u>Financial liability</u>			
Monetary items:			
USD	\$39,262	31.4380	\$1,234,319
EUR	\$3,378	36.8988	\$124,644
HKD	\$340	4.0390	\$1,373
RMB	\$13	4.4982	\$81

	Dec. 31, 2024		
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$15,584	32.7810	\$510,859
EUR	\$3,134	34.1316	\$106,968
HKD	\$1,763	4.2223	\$7,444
RMB	\$178	4.4913	\$799
JPY	\$4,924	0.2098	\$1,033
VND	\$25,500	0.00129	\$33
Investment accounted for using equity method:			
RMB	\$313,782	4.4913	\$1,409,290
JPY	\$374,533	0.2098	\$78,577
VND	\$68,291,473	0.00129	\$88,096
<u>Financial liability</u>			
Monetary items:			
USD	\$41,444	32.7810	\$1,358,576
EUR	\$2,157	34.1316	\$73,622
HKD	\$869	4.2223	\$3,669
RMB	\$13	4.4913	\$58

- (1) The above information is disclosed based on the foreign currency book value (converted to the functional currency).
- (2) Due to the diverse functional currency types of the Company's entities, it is not possible to disclose the exchange gain or loss information for monetary financial assets and financial liabilities by each significant foreign currency. The Company's foreign currency exchange Benefit (losses) gains in 2025 and 2024 were \$34,236 thousand and \$(55,452) thousand, respectively.

10. Capital management

The primary objective of the Company's capital management is to ensure that sound credit ratings and good capital ratios are maintained in order to support corporate operations and maximize shareholders' equity. The Company manages and adjusts its capital structure in accordance with economic conditions. The Company may adjust dividend payments, return capital or issue new shares to maintain and adjust the capital structure.

XIII. Supplementary disclosures

1. Information about significant transactions

Significant transaction-related information from January 1 to December 31, 2025, is as follows:

- (1) Financing provided to others: Table 1.
- (2) Endorsement/guarantee provided to others: Table 2.

- (3) Significant securities held: Table 3.
- (4) Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital : Table 4 and 6.
- (5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital : Table 7.
- (6) Direct or indirect significant influence or control over investee companies: Table 5.

2. Information on investment in Mainland China

- (1) Information on investments in mainland China: Table 8.
- (2) Significant transactions directly or indirectly with mainland Chinese invested companies through third parties, as well as their prices, payment terms, and unrealized gains and losses:
 - A. Purchase amount and percentage, and the ending balance and percentage of related payables: Table 9.
 - B. Sales amount and percentage, and the ending balance and percentage of related receivables: Table 9.
 - C. Ending balance of a note endorsement guarantee or provision of collateral and its purpose: None.
 - D. The amount of property transactions and the resulting gain or loss: None.
 - E. Maximum balance, ending balance, interest rate range, and total interest for the period of financing: Table 1.
 - F. Transactions that have significant impact on the profit or loss of current period or the financial position: None.

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TABLE 1
Financing provided to others :

No. (Note 1)	Financing Company	Counter-party	Financial Statement Account (Note 2)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (Note 8)	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 4)	Transactions Amount (Note 5)	Reason for Financing (Note 6)	Allowance for Doubtful Accounts	Collateral		Financing Limits for Each Borrower (Note 7)	Financing Company's Total Financing Amount Limits (Note 7)
													Item	Value		
0	ADDA Corporation	PANAMA ADDA CORP.	Long-term receivables —Related parties	Yes	\$5,000	\$5,000	\$—	—	2	—	Business Turnover - Advances	Included in the consolidated financial statements; exemption from provision according to regulations	—	—	\$449,255	\$599,007
0	ADDA Corporation	GOLD STRONG ENTERPRISES LIMITED	Long-term receivables —Related parties	Yes	\$5,000	\$5,000	\$—	—	2	—	Business Turnover - Advances	Included in the consolidated financial statements; exemption from provision according to regulations	—	—	\$449,255	\$599,007
0	ADDA Corporation	ZENG DA ELECTRICAL (HUI ZHOU) CO.LTD	Long-term receivables —Related parties	Yes	\$5,000	\$5,000	\$—	—	1	Purchases \$222,396 Sales \$8,999	—	Included in the consolidated financial statements; exemption from provision according to regulations	—	—	\$449,255	\$599,007
0	ADDA Corporation	AX Fan Technology (Vietnam) Co., Ltd	Long-term receivables —Related parties	Yes	\$109,619	\$62,876	\$—	—	2	—	Business Turnover - Advances	Included in the consolidated financial statements; exemption from provision according to regulations	—	—	\$449,255	\$599,007
2	GOLD STRONG ENTERPRISES LIMITED	AX Fan Technology (Vietnam) Co., Ltd	Long-term receivables —Related parties	Yes	\$66,364	\$31,438	\$—	—	2	—	Business Turnover - Advances	—	—	—	\$333,183	\$444,244

(Note 1): The method of filling in the number column is as follows:

1. Issuers fill in 0.
2. Invested companies are numbered sequentially starting with the Arabic number 1.

(Note 2): Items such as accounts receivable from related enterprises, accounts receivable from related parties, shareholder transactions, advance payments, and temporary payments on the books, if they are of the nature of lending, should be included in this column.

(Note 3): The highest balance of funds lent to others during the year.

(Note 4): The nature of the funds lent should be filled in as either business transactions or necessary for short-term financing.

1. For business transactions, please fill in 1.
2. For those necessary for short-term financing, please fill in 2.

(Note 5): For the nature of funds lent as business transactions, the amount of business transactions should be filled in. The amount of business transactions refers to the amount of business transactions between the company lending the funds and the borrower in the most recent year.

(Note 6): For the nature of funds lent as necessary for short-term financing, the reasons for the necessary lending of funds and the borrower's use of funds should be specifically explained, such as: repayment of loans, purchase of equipment, business turnover, etc.

(Note 7): The Company's fund lending operation procedure stipulates that the total amount of funds lent by the Company shall not exceed 40% of the net equity value, but this limit does not apply to foreign companies in which the Company directly and indirectly holds 100% of voting shares.

The lending to a single enterprise shall not exceed 30% of the Company's net equity value.

GOLD STRONG ENTERPRISES LIMITED, which is a subsidiary of the Company, has set the limit of 30% of the net equity value for a loan to an individual customer and the limit of 40% of the net equity value for all the loans in total.

(Note 8): If a publicly traded company, in accordance with Article 14(1) of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, submits the fund lending on a case-by-case basis to the board of directors for resolution, even if the funds have not been disbursed, the resolution amount should still be included in the disclosed balance to reveal the risk assumed. However, after the funds are repaid, the balance after repayment should be disclosed to reflect the risk adjustment. If a publicly traded company, in accordance with Article 14(2) of the Regulations, authorizes the chairman of the board through a board resolution to disburse loans or cycle funds within a certain amount and a one-year period, the approved fund lending amount should still be used as the disclosed balance. Although the funds are repaid subsequently, considering that they may be disbursed again, the approved fund lending amount should still be used as the disclosed balance.

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TABLE 2

Endorsement/guarantee provided to others :

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Balance for the Period (Note 4,8)	Ending Balance (Note 5)	Amount Actually Drawn (Note 6)	Amount of Endorsement/ Guarantee secured by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed (Note 3)	Endorsement provided by parent company to subsidiaries (Note 7)	Endorsement provided by subsidiaries to parent company (Note 7)	Endorsement provided to subsidiaries in China (Note 7)
		Name	Nature of Relationship (Note 2)										
0	ADDA Corporation	AX Fan Technology (Vietnam) Co., Ltd	2	\$275,000	\$269,361	\$157,190	\$42,127	—	10.50%	\$1,100,000	Y	N	N

(Note 1): The method for filling in the numbering column is as follows:

1. Issuer fills in 0.
2. Investee companies are numbered sequentially starting with Arabic numeral 1.

(Note 2): There are six types of relationships between endorsers and endorsed parties, and the type can be indicated as follows:

1. Companies with business relationships.
2. Subsidiaries with direct ownership of more than 50% of common shares.
3. Investee companies in which the parent company and its subsidiaries combined hold more than 50% of common shares.
4. Parent companies with direct or indirect ownership of more than 50% of common shares through subsidiaries.
5. Companies mutually guaranteeing each other based on contract requirements for subcontracted projects in the same industry.
6. Companies that endorse and guarantee each other based on their shareholding ratio in a joint investment relationship.
7. Joint and several guarantees for the performance of presale housing sales contracts between peers under consumer protection regulations.

(Note 3): The total amount of the Company's endorsements and guarantees to external parties is limited to not exceeding the Company's paid-in capital. The endorsement and guarantee amount for a single enterprise is limited to not exceeding 25% of the Company's paid-in capital.

(Note 4): The maximum balance of endorsements and guarantees for others during the year.

(Note 5): As of the end of the year, the Company assumes the responsibility of endorsement or guarantee as soon as the amount of endorsement and guarantee contracts or notes with banks is approved. In addition, other related endorsements and guarantees should be included in the endorsement and guarantee balance.

(Note 6): Enter the actual amount disbursed by the endorsed and guaranteed company within the scope of the endorsement and guarantee balance.

(Note 7): Only those who belong to the listed parent company endorsing and guaranteeing its subsidiary, belong to the subsidiary endorsing and guaranteeing the listed parent company, and belong to the mainland endorsement issuer are required to fill in "Y."

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TABLE 3

Marketable securities held (excluding investments in subsidiaries, associates and jointly controlled entities) :

Holding Company	Type of Marketable Securities (Note 1)	Name of Marketable Securities (Note 1)	Relationship with the Company (Note 2)	Financial statement account	December 31, 2025				Remark
					Shares (In Thousands)	Carrying amount (Note 3)	Percentage of Ownership	Fair Value	
ADDA Corporation	Unlisted stocks	ORVISO CORPORATION	—	Financial assets at fair value through other comprehensive income	0.75	\$2,774	16.30%	\$2,774	—
	Unlisted stocks	LEADER ELECTRONICS INC.	—	Financial assets at fair value through profit or loss	820	\$7,831	0.41%	\$7,831	—

(Note 1): Marketable securities referred to in this table are stocks, bonds, beneficiary certificates, and derivatives of the above items within the scope of International Financial Reporting Standard (IFRS) 9 "Financial Instruments."

(Note 2): If the issuer of the marketable securities is not a related party, this column can be left blank.

(Note 3): For those measured at fair value, please fill in the carrying amount in the column with the balance after adjusting for fair value and deducting accumulated impairment; for those not measured at fair value, please fill in the carrying amount in the column with the original acquisition cost or amortized cost minus the accumulated impairment balance.

(Note 4): If the listed marketable securities are restricted in use due to providing collateral, pledge loans, or other contractual agreements, please indicate the number of shares provided as collateral or pledged, the collateral or pledged amount, and the restricted use situation in the remarks column.

(Note 5): This table lists securities that the company deems necessary to include based on the principle of materiality.

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TABLE 4

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

Company Name	Related Party	Transaction Details					Abnormal Transaction		Notes/Accounts Payable or Receivable		Remark
		Nature of Relationships	Purchases/Sales	Amount	Percentage to Total	Collection/Payment Terms	Unit Price	Collection/Payment Terms	Ending Balance	Percentage to Total	
ADDA Corporation	ADDA USA, INC	Sub-subsiary	Sales	\$309,352	31%	60 EOM after sales	NA	NA	\$76,208	31%	—
ADDA Corporation	ADDA EUROPE GMBH	Sub-subsiary	Sales	\$178,304	18%	90 EOM after sales	NA	NA	\$30,813	12%	—
ADDA Corporation	ADDA ELECTRIC MACHINERY TECHNOLOGY(KUN SHAN)CO.,LTD	Sub-subsiary	Purchases	\$207,362	28%	120 EOM after purchases	NA	NA	(\$826,323)	60%	—
ADDA Corporation	ZENG DA ELECTRICAL (HUI ZHOU) CO.LTD	Sub-subsiary	Purchases	\$222,396	30%	150 EOM after purchases	NA	NA	(\$340,262)	25%	—

(Note 1): If the transaction conditions with related parties differ from general transaction conditions, the differences and reasons should be explained in the unit price and credit period columns.

(Note 2): If there are prepayments, the reasons, contract terms, amounts, and differences from general transaction types should be explained in the notes column.

(Note 3): Paid-in capital refers to the parent company's paid-in capital. For issuers whose shares have no par value or a par value not equal to NT\$10, the transaction amount of 20% of the paid-in capital should be calculated as 10% of the equity attributable to the parent company's owners on the balance sheet.

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TABLE 5
Information about the investee company, location, etc. (excluding investee companies in Mainland China):
(1)ADDA Corporation

Name of the Investee Company (Note 1, 2)	Location	Main businesses	Initial Investment		Investment as of December 31, 2025			Net income (loss) of investee company (Note 2)	Investment income (loss) recognized (Note 3)	Remark
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
PANAMA ADDA CORP.	Panama	General Investment	\$1,385,122	\$1,385,122	434	100.00%	\$1,392,550	\$10,477	\$10,332	(Note 3)
GOLD STRONG ENTERPRISES LIMITED	Samoa	General Investment	\$369,626	\$369,626	11,961	100.00%	\$1,110,203	\$447	(\$439)	(Note 3)
MOBIEN CORPORATION	Taiwan	Manufacturing and wholesale of electronic components	\$23,454	\$23,454	2,000	100.00%	\$31,383	(\$2,363)	(\$2,327)	(Note 3)
Meko Technorex Co., Ltd.	Japan	Manufacturing and sales of electronic application machines	\$51,488	\$51,488	400 shares	100.00%	\$89,079	\$4,106	\$4,037	(Note 3)
AX Fan Technology (VIETNAM) Co., Ltd.	Vietnam	Manufacturing and sales of cooling fans	\$311,497	\$229,079	—	78.08%	\$166,927	(\$6,155)	(\$5,101)	
X-FAN (Cayman) Holding Co., Ltd.	Cayman Islands	General Investment	\$289,937	\$289,937	8,528	25.081%	\$313,534	\$42,397	\$8,446	(Note 3)
CORNERSTONE ALLIANCE VENTURE CAPITAL CORP.	Taiwan	General Investment	\$—	\$9,660	—	—	\$—	(\$19,864)	(\$6,111)	(Note 5)
CSX MATERIAL CO., LTD.	Taiwan	Manufacturing and sales of cooling fans	\$28,800	\$28,800	2,280	10.60%	\$26,050	(\$60,396)	(\$6,402)	

(2)Subsidiary: PANAMA ADDA CORP.

Name of the Investee Company (Note 1, 2)	Location	Main businesses	Initial Investment		Investment as of December 31, 2025			Net income (loss) of investee company (Note 2)	Investment income (loss) recognized (Note 2)	Remark
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
ADDA USA, INC.	United States	Sales of computer fans	\$16,554 RMB (thousand)	\$16,554 RMB (thousand)	1,000	100.00%	\$46,534 RMB (thousand)	\$1,695 RMB (thousand)	\$1,695 RMB (thousand)	
ADDA EUROPE GMBH	Europe	Sales of cooling fans	\$752 RMB (thousand)	\$752 RMB (thousand)	100	100.00%	\$12,420 RMB (thousand)	\$4,433 RMB (thousand)	\$4,433 RMB (thousand)	

(3)Subsidiary: GOLD STRONG ENTERPRISES LIMITED

Name of the Investee Company (Note 1, 2)	Location	Main businesses	Initial Investment		Investment as of December 31, 2025			Net income (loss) of investee company	Investment income (loss) recognized	Remark
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
AX Fan Technology Co., Ltd.	Samoa	General Investment	\$45,020	\$45,020	1,541	67.00%	\$20,516	\$379	\$254	

(4)Subsidiary: Meko Technorex Co., Ltd.

Name of the Investee Company (Note 1, 2)	Location	Main businesses	Initial Investment		Investment as of December 31, 2025			Net income (loss) of investee company	Investment income (loss) recognized	Remark
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
AX Fan Technology (VIETNAM) Co., Ltd.	Vietnam	Manufacturing and sales of cooling fans	\$165,713 JPY (thousand)	\$165,713 JPY (thousand)	—	10.38%	\$110,032 JPY (thousand)	(\$29,495) JPY (thousand)	(\$4,003) JPY (thousand)	

(5)Subsidiary: X-FAN (Cayman) Holding Co., Ltd.

Name of the Investee Company (Note 1, 2)	Location	Main businesses	Initial Investment		Investment as of December 31, 2025			Net income (loss) of investee company	Investment income (loss) recognized	Remark
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
Xinruilan Science & Technologies Co., Ltd.	Taiwan	Sales of cooling fans	\$74,200	\$74,200	8,000	100.00%	\$238,630	\$54,998	\$54,998	

(6)Subsidiary: ADDA USA, INC.

Name of the Investee Company (Note 1, 2)	Location	Main businesses	Initial Investment		Investment as of December 31, 2025			Net income (loss) of investee company	Investment income (loss) recognized	Remark
			Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Carrying amount			
AX Fan Technology Co., Ltd.	Samoa	General Investment	\$759 USD (thousand)	\$759 USD (thousand)	759	33.00%	\$321 USD (thousand)	\$12 USD (thousand)	\$4 USD (thousand)	
AX Fan Technology (VIETNAM) Co., Ltd.	Vietnam	Manufacturing and sales of cooling fans	\$1,500 USD (thousand)	\$— USD (thousand)	—	11.54%	\$781 USD (thousand)	(\$197) USD (thousand)	(\$7) USD (thousand)	
SUPERFAN MEXICO SA. DE. CV.	Mexico	Contract manufacturing and processing of computer fans	\$500 USD (thousand)	\$500 USD (thousand)	48	100.00%	—	—	—	(Note 4)

(Note 1): If a publicly traded company has a foreign holding company and the consolidated financial statements are the main financial statements according to local regulations, the disclosure of information about the foreign investee companies can be limited to the information related to the holding company.

(Note 2): For cases not described in Note 1, the following rules apply:

- Columns such as "Investee Company Name", "Location", "Main Business Items", "Original Investment Amount", and "Shareholding at the End of the Period" should be filled out according to the investment situation of this (publicly traded) company and the reinvestment situation of each directly or indirectly controlled investee company, and the relationship between each investee company and this (publicly traded) company (such as being a subsidiary or a sub-subsidiary) should be noted in the notes column.
- Column "Investee Company's Current Period Profit or Loss" should be filled out with the current period profit or loss amount of each investee company.
- Column "Recognized Investment Profit or Loss for the Current Period" only needs to be filled out with the profit or loss amount of each subsidiary and investee company evaluated using the equity method, which is directly reinvested by this (publicly traded) company. The rest can be left blank.

When filling out the "Current Period Profit or Loss Amount of Each Subsidiary Directly Reinvested", it should be confirmed that the current period profit or loss amount of each subsidiary has included the investment profit or loss that should be recognized according to the regulations for reinvestment.

(Note 3): Includes unrealized gains and losses among associates.

(Note 4): Closed for business on September 30, 2004.

(Note 5): Disposal on October 31, 2025

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TABLE 6

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

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Remark
			Purchases/ Sales	Amount	Percentage to Total	Collection/ Payment Terms	Unit Price	Collection/ Payment Terms	Ending Balance	Percentage to Total	
ADDA ELECTRIC MACHINERY TECHNOLOGY(KUN SHAN) CO.,LTD	ADDA Corporation	The Company's ultimate parent company	Sales	\$207,362	36%	120 EOM	N/A	N/A	Accounts receivable \$826,323	86%	—
ZENG DA ELECTRICAL (HUI ZHOU) CO.LTD	ADDA Corporation	The Company's ultimate parent company	Sales	\$222,396	50%	150 EOM	N/A	N/A	Accounts receivable \$340,262	41%	—
ADDA USA, INC.	ADDA Corporation	The Company's ultimate parent company	Purchases	\$309,352	98%	60 EOM	N/A	N/A	Accounts payable \$76,208	99%	—
ADDA EUROPE GMBH	ADDA Corporation	The Company's ultimate parent company	Purchases	\$178,304	100%	90 EOM	N/A	N/A	Accounts payable \$30,813	100%	—

ADDA CORPORATION NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

TABLE 7

Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

Company Name	Related Party	Nature of Relationships	Ending Balance (Note 3)	Turnover Ratio (times)	Overdue		Amounts Received in Subsequent Periods	Allowance for Doubtful Accounts
					Amount	Action Taken		
ZENG DA ELECTRICAL (HUI ZHOU) CO.LTD	ADDA Corporation	The Company's ultimate parent company	\$340,262	0.66	—	—	(Note 2)	(Note 1)
ADDA ELECTRIC MACHINERY TECHNOLOGY(KUN SHAN) CO.,LTD	ADDA Corporation	The Company's ultimate parent company	\$826,323	0.24	—	—	(Note 2)	(Note 1)

(Note 1): For companies preparing consolidated financial statements with a 100% shareholding ratio, the allowance for doubtful accounts may not be provided.

(Note 2): Regular settlement of accounts receivable and payable with offsetting.

(Note 3): Paid-in capital refers to the paid-in capital of the parent company. For issuers whose shares have no par value or have a par value other than NT\$10, the 20% transaction amount rule for paid-in capital is calculated as 10% of the equity attributable to the parent company's owners on the balance sheet.

ADDA CORPORATION NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

TABLE 8
Information on investment in mainland china
(1)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Method (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Maximum Balance for the Period		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	Profits/Losses of the Investee Company	Percentage of Ownership (Direct or Indirect Investment)	Share of Profits/Losses(Note 2)	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	inflow						
GAO JING ELECTRICAL SHEN ZHEN CO., LTD	Manufacturing and sales of computer fans	RMB (thousand) \$14,263	Note 1 (2) GOLD STRONG ENTERPRISES LIMITED	\$59,698	—	—	\$59,698	(\$22,661)	100%	Note 2 (2) (\$22,661)	\$155,421	—
ADDA ELECTRIC MACHINERY TECHNOLOGY(KUN SHAN) CO.,LTD	Manufacturing and sales of computer fans	RMB (thousand) \$121,809	Note 1 (2) PANAMA ADDA CORP.	\$534,460	—	—	\$534,460	(\$22,448)	100%	Note 2 (2) (\$22,448)	\$951,619	—
KUNSHAN ADD GREEN MICRO-ELECTRIC CO.,LTD	Manufacturing, processing, and sales of computer fans	RMB (thousand) \$35,295	Note 1 (2) PANAMA ADDA CORP.	\$156,008	—	—	\$156,008	\$6,814	100%	Note 2 (2) \$6,814	\$179,029	—
WARBURG BRANCH TRADE (SHENZHEN) CO., LTD.	Sales of computer fans	RMB (thousand) \$867	Note 1 (2) GOLD STRONG ENTERPRISES LIMITED	\$4,127	—	—	\$4,127	\$20,015	100%	Note 2 (2) \$20,015	\$133,279	\$49,617
GAO XING WANG ELECTRICAL (SHEN ZHEN) CO. LTD	Manufacturing, processing, and sales of plastic hardware accessories, electronic plastic accessories, and cooling fans	RMB (thousand) \$18,897	Note 1 (2) PANAMA ADDA CORP.	\$92,075	—	—	\$92,075 (Note 5)	(\$302)	100%	Note 2 (2) (\$302)	\$442	—
ZENG DA ELECTRICAL (HUI ZHOU) CO.LTD	Manufacturing and sales of computer fans	RMB (thousand) \$37,213	Note 1 (2) GOLD STRONG ENTERPRISES LIMITED	\$184,895	—	—	\$184,895	\$6,760	100%	Note 2 (2) \$6,760	\$753,530	—
MELCO TECHNOREX (DALIAN) CO., LTD	Manufacturing and sales of cooling fans	RMB (thousand) \$13,345	Note 1 (2) GOLD STRONG ENTERPRISES LIMITED	\$60,990	—	—	\$60,990	(\$3,390)	100%	Note 2 (2) (\$3,390)	\$11,879	—
AX FAN ELECTRONICS(ZHAOQING) CO.,LTD.	Production, processing, and sales: metal die-casting products, metal stamping products, plastic products, mold and assembly of electronic components	RMB (thousand) \$—	Note 1 (2) AX FAN TECHNOLOGY CO., LTD.	\$68,328	—	—	\$68,328 (Note 6)	\$128	100%	Note 2 (2)-6. \$128	\$0	—
XINRUILIAN ELECTRONICS (ZHAOQING)CO.,LTD	Manufacturing and sales of cooling fans	RMB (thousand) \$41,535	Note 1 (2) X-FAN (Cayman) Holding Co., Ltd.	206,087	—	—	\$206,087	\$11,679	25.081%	Note 2 (2) \$2,256	\$217,994	—
ZHAO QING HENGYANG ELECTRONICS.CO.,LTD	Sales of cooling fans	RMB (thousand) \$15,000	Note 1 (2) X-FAN (Cayman) Holding Co., Ltd.	64,192	—	—	\$64,192	(\$396)	25.081%	Note 2 (2) (\$99)	\$63,787	—

(2)

Accumulated Outflow of Investment from Taiwan to Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$1,447,486 (USD 44,692 thousand · HKD 8,886 thousand)	\$1,441,079 (USD 44,697 thousand · HKD 8,887 thousand)	(Note 4)

(Note 1): Investment methods are divided into the following three types, and the type can be indicated:

- (1) Direct investment in Mainland China.
- (2) Reinvestment in Mainland China through a third-region company (please specify the investment company in that third region).
- (3) Other methods.

(Note 2): In the column of investment income and loss recognized in this period:

- (1) If it is still in preparation and there is no investment income or loss, please specify.
- (2) The basis for recognizing investment income and loss is divided into the following three types, which should be specified.
 1. Financial statements audited and certified by an international accounting firm with a cooperative relationship with a CPA firm in the Republic of China.
 2. Financial statements audited and certified by a CPA of the Taiwan parent company.
 3. Other.

(Note 3): The relevant figures in this table should be presented in New Taiwan Dollars.

(Note 4): The Company has obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau, MOEA, the ceiling amount of the investment in Mainland China is not applicable to the Company.

(Note 5): Including the machine price transfer investment in GAO XING WANG ELECTRICAL (SHEN ZHEN) CO. LTD of USD 464,706 (equivalent to NTS13,495 thousand) by PANAMA ADDA CORP. (Xingwang incoming processing factory).

(Note 6): AX FAN ELECTRONICS (ZHAOQING) CO.,LTD. completed the liquidation process in October 2025.

ADDA CORPORATION NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

TABLE 9

Mainland China Information - The percentage of purchase (sales) amount and the percentage of the ending balance of related accounts payable (receivable):

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Remark
			Purchases/ Sales	Amount	Percentage to Total	Collection/ Payment Terms	Unit Price	Collection/ Payment Terms	Ending Balance	Percentage to Total	
ADDA Corporation	ADDA ELECTRIC MACHINERY TECHNOLOGY(KUN SHAN) CO.,LTD	Sub-subsiidiary	Purchases	\$207,362	28%	120 days EOM	N/A	N/A	Accounts payable \$826,323	60%	—
ADDA Corporation	ADDA ELECTRIC MACHINERY TECHNOLOGY(KUN SHAN) CO.,LTD	Sub-subsiidiary	Sales	\$22,832	2%	120 days EOM	N/A	N/A	—	—	—
ADDA Corporation	WARBURG BRANCH TRADE (SHENZHEN) CO., LTD.	Sub-subsiidiary	Sales	\$424	0%	120 days EOM	N/A	N/A	Accounts receivable \$737	0%	—
ADDA Corporation	ZENG DA ELECTRICAL (HUI ZHOU) CO.LTD	Sub-subsiidiary	Purchases	\$222,396	30%	150 days EOM	N/A	N/A	Accounts payable \$340,262	25%	—
ADDA Corporation	ZENG DA ELECTRICAL (HUI ZHOU) CO.LTD	Sub-subsiidiary	Sales	\$8,999	1%	120 days EOM	N/A	N/A	—	—	—

STATEMENT OF MAJOR ACCOUNTING ITEM

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ADDA Corporation

1.STATEMENT OF CASH AND CASH EQUIVALENTS

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Description	Amount	Note
Cash		\$335	USD to NTD exchange rate 1 : 31.438
Bank Deposits:			HKD to NTD exchange rate 1 : 4.039
NTD Demand Deposits		42,859	EUR to NTD exchange rate
NTD Time Deposits		18,527	1 : 36.8988
Foreign Currency Demand Deposits	HKD 1,366,057.05	5,518	RMB to NTD exchange rate
	CNY 162,578.48	731	1 : 4.4982
	USD 5,398,441.36	169,716	JPY to NTD exchange rate
	EUR 1,549,893.91	57,189	1 : 0.2008
	JPY 5,224,503.00	1,049	
Total Bank Deposits		295,589	
Total		\$295,924	

ADDA Corporation

2.STATEMENT OF NOTES RECEIVABLE, NET

DECEMBER 31, 2025

Unit: NT\$ thousands

Customer Name	Description	Amount	Note
A COMPANY	Sales of fans	\$1,943	Allowance for doubtful accounts is estimated based on the possibility of recovery.
B COMPANY	Sales of fans	338	
C COMPANY	Sales of fans	160	
D COMPANY	Sales of fans	138	
Other	(Note)	150	
Total		\$2,729	

(Note): The individual balance is not more than 5% of the accounts receivable balance.

ADDA Corporation

3.STATEMENT OF ACCOUNTS RECEIVABLE, NET

DECEMBER 31, 2025

Unit: NT\$ thousands

Customer Name	Description	Amount	Remark
A COMPANY	Sales of fans	\$44,908	Allowance for doubtful accounts is estimated based on the possibility of recovery.
B COMPANY	Sales of fans	9,509	
C COMPANY	Sales of fans	6,863	
Other	(Note)	70,947	
Total		132,227	
Minus: allowance for loss		(1,434)	
Net amount		\$130,793	

(Note): The balance of each item included does not exceed 5% of the accounts receivable.

4.STATEMENT OF ACCOUNTS RECEIVABLE - RELATED PARTIES, NET

DECEMBER 31, 2025

Unit: NT\$ thousands

Customer Name	Description	Amount	Note
ADDA USA, INC.	Sales of fans	\$76,208	
ADDA EUROPE GMBH	Sales of fans	30,813	
WARBURG BRANCH TRADE (SHENZHEN) CO., LTD.	Sales of fans	737	
Total		107,758	
(Less): loss allowance		—	
Net amount		\$107,758	

ADDA Corporation

5.STATEMENT OF OTHER RECEIVABLE

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Amount	Note
Refundable business tax	148	(Note)
Other	1,028	
Total	1,176	
Allowance for loss — other receivable	-	
Net amount	\$1,176	

(Note): The balance of each item included does not exceed 5% of the other accounts receivable from non-related parties.

6.STATEMENT OF OTHER RECEIVABLE - RELATED PARTIES

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Amount	Remark
ADDA USA, INC.	\$414	Advances
XINRUILIAN SCIENCE & TECHNOLOGY CO., LTD	140	Advances
Other	19	(Note)
Total	\$573	

(Note): The balance of each item included does not exceed 5% of the other accounts receivable from related parties.

ADDA Corporation

7. STATEMENT OF INVENTORIES

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Cost	Net realizable value	Note
Raw materials	\$119	\$41	
Finished goods	3,581	3,543	
Total	3,700	\$3,584	
(Less): Allowance for loss on inventory valuation	(116)		The allowance for inventory valuation loss is estimated based on the net realizable value of the inventory and the likelihood of obsolescence
Net amount	\$3,584		

ADDA Corporation

8.STATEMENT OF ADVANCE PAYMENT

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Amount	Note
Prepaid insurance premiums	\$1,841	
Prepaid expenses - Other	1,078	
Other prepayments	2,604	
overpaid sales tax	301	
Total	\$5,824	

ADDA Corporation

9.STATEMENT OF OTHER CURRENT ASSETS

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Amount	Note
Temporary payments	<u>\$769</u>	

ADDA Corporation

10. Non-current financial assets at fair value through profit or loss

DECEMBER 31, 2025

Unit: NT\$ thousands

Company Name	Beginning balance		Increase		Decrease		Ending balance		Market price or net equity value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Unit price	Amount		
LEADER ELECTRONICS INC.	—	\$—	819,969	\$7,831	—	\$—	819,969	\$7,831	—	—	—	(Note)

(Note) : The increase in this period was due to the acquisition of financial assets measured at fair value through profit or loss.

ADDA Corporation

11. STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – NON-CURRENT

DECEMBER 31, 2025

Unit: NT\$ thousands

Company Name	Beginning balance		Increase		Decrease		Ending balance		Collateral	Market price or net equity value		Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount		Unit price	Amount	
ORVISO CORPORATION	750	\$2,774	—	\$—	—	\$—	750	\$2,774	not applicable	—	—	
AAIREL CORPORATION	175	284	—	301	(175)	(585)	—	\$—	not applicable	—	—	
				(Note1)		(Note2)						
Total		<u>\$3,058</u>		<u>\$301</u>		<u>(\$585)</u>		<u>\$2,774</u>				

(Note1) : Fair value assessment adjustment.

(Note2) : This period's disciplinary action.

ADDA Corporation
12. STATEMENT OF CHANGES IN INVESTMENT ACCOUNTED FOR USING EQUITY METHOD
DECEMBER 31, 2025

Unit: NT\$ thousands

Company Name	Beginning balance		Increase		Decrease		Recognized investment gains/losses	Exchange Differences on Translation of Foreign Operations	Ending balance			Market price or Net equity value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount			Shares	Holding %	Amount	Unit price	Amount		
PANAMA ADDA CORP.	434,256	\$1,409,262	—	\$—	—	(\$22,552)	\$10,333	(\$4,493)	434,256	100.00%	\$1,392,550	—	\$1,392,722	—	(Note1)
GOLD STRONG ENTERPRISES LIMITED	11,961,011	1,109,646	—	—	—	—	(439)	996	11,961,011	100.00%	1,110,203	—	\$1,110,610	—	
MOBIEN CORPORATION	2,000,000	33,710	—	—	—	—	(2,328)	—	2,000,000	100.00%	31,382	—	\$31,418	—	
Melco Technorex Co.,Ltd	400	78,531	—	9,166	—	—	4,037	(2,655)	400	100.00%	89,079	—	\$89,124	—	(Note2)
AX FAN Technology (Vietnam) Co., Ltd	—	88,096	—	96,036	—	—	(5,100)	(12,105)	—	78.08%	166,927	—	\$166,927	—	(Note3)
CORNERSTONE ALLIANCE VENTURE CAPITAL CORP.	966,000	15,768	—	—	(966,000)	(9,657)	(6,111)	—	—	—	—	—	—	—	(Note4)
CSX MATERIAL CO., LTD.	2,280,000	28,611	—	3,793	—	—	(6,402)	48	2,280,000	8.44%	26,050	—	\$7,961	—	(Note5)
X-FAN (Cayman) Holding Co., Ltd.	8,528	318,246	—	—	—	(13,374)	8,446	216	8,528	25.081%	313,534	—	\$313,546	—	(Note6)
Total		3,081,870		108,995		(45,583)	2,436	(17,993)			3,129,725				
Less: Cumulative impairment - investments accounted for using the equity method		—		—		—	—	—			—				
Deferred credits - Inter-company profits		(6,051)		—		2,047	—	—			(4,004)				
Total		\$3,075,819		\$108,995		(\$43,536)	\$2,436	(\$17,993)			\$3,125,721				

(Note 1): The decrease in this period was due to a difference of \$22,552 thousand in equity method-recognized gains or losses from the acquisition or disposal of subsidiary equity.

(Note 2): The increase in this period was due to an adjustment of \$9,166 thousand by the investee company not subscribing in accordance with its shareholding ratio.

(Note 3): The increase this period consists of new investments of \$82,417 thousand and adjustments of \$13,619 thousand for subscriptions not in accordance with shareholding ratios.

(Note 4): The decrease in this period was due to the investee company reducing its capital, returning \$7,831 thousand in share payments according to Xiexi Company's shareholding ratio, receiving cash dividends of \$1,546 thousand, and disposing of \$280 thousand during this period.

(Note 5): The increase in this period was due to an adjustment of \$3,793 thousand for subscriptions not in accordance with shareholding ratios.

(Note 6): The decrease in this period was due to the receipt of cash dividends of \$13,374 thousand.

ADDA Corporation
13.STATEMENT OF CHANGE IN RIGHT-OF-USE ASSETS
DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Beginning balance	Changes in this period			Ending balance	Note
		Increase	Decrease	Reclassification		
Buildings	\$808	\$-	\$-	\$-	\$808	
Transportation equipment	6,447	2,023	(1,186)	-	\$7,284	
Total	<u>\$7,255</u>	<u>\$2,023</u>	<u>(\$1,186)</u>	<u>\$-</u>	<u>\$8,092</u>	

ADDA Corporation
14.STATEMENT OF CHANGE IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Beginning balance	Changes in this period			Ending balance	Note
		Increase	Decrease	Reclassification		
Buildings	\$303	\$404	\$-	\$-	\$707	
Transportation equipment	2,435	2,350	(1,186)	-	3,599	
Total	<u>\$2,738</u>	<u>\$2,754</u>	<u>(\$1,186)</u>	<u>\$-</u>	<u>\$4,306</u>	

ADDA Corporation

15.STATEMENT OF DEFERRED TAX ASSETS

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Amount	Note
Deferred tax assets—Non-current	<u>\$29,085</u>	

ADDA Corporation

16.STATEMENT OF OTHER NON-CURRENT ASSETS

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Description	Amount	Note
Refundable deposits:			
Official car deposit		5,139	
Other		118	
Subtotal		5,257	

ADDA Corporation

17.STATEMENT OF NET DEFINED BENEFIT ASSET – NON-CURRENT

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Description	Amount	Note
Net defined benefit asset – non-current	Accrued pension liabilities	\$7,282	

ADDA Corporation

18.STATEMENT OF SHORT-TERM LOANS

DECEMBER 31, 2025

Unit: NT\$ thousands

Creditor	Description	Term	Interest rate	Ending balance	Collateral	Limit	Note
First Commercial Bank - Lingya Branch	Working capital	Aug. 27, 2025~May. 14, 2026	1.9550%~1.9550%	\$280,000	None		
CTBC Bank - Minzu Branch	Working capital	Aug. 27, 2025~Apr. 17, 2026	1.9800%	170,000	None		
Bank of Taiwan - Sanduo Branch	Working capital	Oct. 30, 2025~Apr. 28, 2026	1.8800%	25,000	None		
Yuanta Commercial Bank-Kaohsiung Branch	Working capital	Nov. 11, 2025~Feb. 09, 2026	1.9400%	80,000	None		
Taipei Fubon Bank-Kaohsiung Branch	Working capital	Nov. 04, 2025~May. 27, 2026	1.9556%	100,000	None		
Cathay United Bank-Kaohsiung Branch	Working capital	Oct. 20, 2025~Mar. 17, 2026	1.9800%	50,000	None		
Taishin Bank-Lingya Branch	Working capital	Dec. 26, 2025~Feb. 26, 2026	2.0000%	45,000	None		
Taiwan Cooperative Bank-Cianjin Branch	Purchase loan	Oct. 17, 2025~Feb. 14, 2026	4.6935%~4.9472%	2,669	None		
Shanghai Commercial & Savings Bank-Cianjin Branch	Purchase loan	Nov. 03, 2025~Mar. 06, 2026	4.5600%~4.5700%	2,650	None		
Bank of Taiwan - Sanduo Branch	Purchase loan	Dec. 08, 2025~Apr. 02, 2026	4.7567%~4.7672%	2,429	None		
Total				<u>\$757,748</u>			

ADDA Corporation

19.STATEMENT OF ACCOUNTS PAYABLE

DECEMBER 31, 2025

Unit: NT\$ thousands

Customer name	Description	Amount	Note
A COMPANY	Finished product payment	\$30,707	
B COMPANY	Finished product payment	37,751	
C COMPANY	Raw materials payment	7,423	
Other	(Note)	7,031	
Total		<u>\$82,912</u>	

(Note): The balance of the individual items included did not exceed 5% of the balance of accounts payable - unrelated party accounts.

20.STATEMENT OF ACCOUNTS PAYABLE - RELATED PARTIES

DECEMBER 31, 2025

Unit: NT\$ thousands

Customer name	Description	Amount	Note
ADDA ELECTRIC MACHINERY TECHNOLOGY(KUN SHAN) CO.,LTD	Finished product payment	\$826,323	
ZENG DA ELECTRICAL (HUI ZHOU) CO.LTD	Finished product payment	340,262	
GAO JING ELECTRICAL (SHEN ZHEN) CO., LTD	Raw materials, finished product payment	99,482	
AX FAN Technology (Vietnam) Co., Ltd	Finished product payment	32,870	
Total		<u>\$1,298,937</u>	

ADDA Corporation

21.STATEMENT OF OTHER PAYABLES

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Description	Amount	Note
Salaries payable	Salaries for December 2025	\$16,085	
Employee bonuses payable	Employee bonuses	33,787	
Compensation due to directors	Director remuneration	4,832	
Other	Import and export transshipment fees and other miscellaneous	38,453	
Total		<u>\$93,157</u>	

22.STATEMENT OF OTHER PAYABLES - RELATED PARTIES

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Description	Amount	Note
ADDA ELECTRIC MACHINERY TECHNOLOGY(KUN SHAN) CO.,LTD	Advances	\$801	
ZENG DA ELECTRICAL (HUI ZHOU) CO.LTD	Advances	81	
Total		<u>\$882</u>	

ADDA Corporation

23.STATEMENT OF LEASE LIABILITIES

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Lease term	Discount rate	Ending balance	Note
Buildings	Apr. 08, 2024~Apr. 07, 2026	1.92%	\$103	
Transportation equipment	Mar. 30, 2023~Sep. 26, 2028	1.36%~2.09%	3,720	
Total			\$3,823	
Lease liabilities due within one year			(2,197)	
Lease liabilities - non-current			\$1,626	

ADDA Corporation

24.STATEMENT OF OTHER CURRENT LIABILITIES

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Description	Amount	Note
Temporary receipts	Temporary receipt of overpaid customer payments	\$864	
Collection on behalf	Withholding labor and health insurance fees and income tax, etc.	2,414	
Total		<hr/> \$3,278 <hr/>	

ADDA Corporation

25. STATEMENT OF LONG-TERM LOANS

DECEMBER 31, 2025

Unit: NTS thousands

Creditor	Description	Ending balance	Loan amount		Contract Period	Interest rate (%)	Collateral	Repayment method
			current portion	non-current portion				
CTBC Bank - Minzu Branch	Unsecured loans	\$100,000	—	\$100,000	Jun. 30, 2025~Jun 30, 2027	2.2500%	None	Interest is paid periodically, and the principal is repaid in full at maturity.
E.SUN Bank-Kaohsiung Branch	Unsecured loans	40,000	—	40,000	Aug. 05, 2024~Aug. 05, 2027	2.0700%	None	Interest is paid monthly, and the principal is repaid in equal quarterly installments, with a two-year principal grace period.
Total		\$140,000	—	\$140,000				
(Less): current portion		—						
Net amount		\$140,000						

ADDA Corporation

26.STATEMENT OF DEFERRED TAX LIABILITIES

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Amount	Note
Deferred tax liabilities—Non-current	<u>\$931</u>	

ADDA Corporation

27.STATEMENT OF GUARANTEE DEPOSITS

DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Description	Amount	Note
Guarantee deposits	Factory and office rental deposit	<u>\$64</u>	

ADDA Corporation

28.STATEMENT OF OPERATING REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Quantity	Amount	Note
Revenue from the sale of goods	10,699 KPCS	\$969,179	
Other operating income		23,303	
Total		<hr/> \$992,482 <hr/>	

ADDA Corporation
 29.STATEMENT OF OPERATING COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

Unit: NT\$ thousands

Item	Amount
Self-produced portion:	
Raw material purchased	\$20,007
Add: Raw material, beginning of year	595
Other	45
Less: Raw material, end of year	(119)
Transfer to research and development expenses	(279)
Transfer to operating expenses	(5)
scrapped	(470)
Raw material sold	(19,774)
Current period material consumption	—
Add: Work in process, beginning of year	24
Work in process purchased	1,336
Less: Work in process, end of year	—
Transfer to research and development expenses	(1,337)
scrapped	(23)
Cost of finished goods	—
Add: Finished goods, beginning of year	2,181
Finished goods purchased	717,950
Other	254
Less: Finished goods, end of year	(1,156)
Operating cost - Self-produced	719,229
gain from price recovery of inventory	(700)
Sale of raw materials	19,774
Other	273
Total operating cost	<u>\$738,576</u>

ADDA Corporation
30.STATEMENTS OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

Unit: NT\$ thousands,

Item	Sales and marketing expenses	General and administrative expenses	R&D expenses
Salary	\$22,887	\$49,394	\$38,397
Postage expenses	112	5,290	69
Depreciations	1,184	6,056	3,019
Labor and Health Insurance Costs	2,584	4,284	4,508
Service expenses	209	5,177	322
Miscellaneous expenses	2,335	4,569	3,473
Import and export transfer fees	13,444	73	121
Other (note)	11,619	13,337	12,507
Total	<u>\$54,374</u>	<u>\$88,180</u>	<u>\$62,416</u>

(Note): Single item balance does not exceed 5% of the total amount of each expense category

ADDA Corporation

31.STATEMENTS OF INTEREST INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

Unit: NT\$ thousands.

Item	Amount
Interest income	\$2,740

32.STATEMENTS OF OTHER INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

Unit: NT\$ thousands.

Item	Amount
Rent income	\$653
Dividend income	3,680
Other income	10,114
Total	\$14,447

33. STATEMENTS OF OTHER GAINS AND LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2025

Unit: NT\$ thousands.

Item	Amount
Losses on disposals of property, plant and equipment	(\$19)
Net foreign exchange losses	34,236
Other Expenses	(6,117)
Total	\$28,100

34.STATEMENTS OF FINANCE COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Unit: NT\$ thousands.

Item	Amount
Interests from bank loans	(\$17,531)
Interest on Lease liabilities	(72)
Total	(\$17,603)

ADDA Corporation

35. STATEMENTS OF SHARE OF PROFIT (LOSS) OF SUBSIDIARIES AND ASSOCIATES
ACCOUNTED FOR USING EQUITY METHOD

FOR THE YEAR ENDED DECEMBER 31, 2025

Unit: NT\$ thousands.

Item	Amount
Share of profit (loss) of subsidiaries and associates accounted for using equity method	\$2,436